

## SOCCOH SNA Report Bulgaria

### Creating a Regional Policy Network from Tabula Rasa in Bulgaria: the Beginning

Antoinette Primatarova and Georgy Ganev, CLS

#### I. Introduction. Profile of the region

##### I.1. Reasons for selection of the region as a case study

The selection of a region to focus on in performing the social network analysis with respect to regional development policies in Bulgaria is based on a set of several criteria. These criteria include population of the region, the relative level of development (the absolute requirement is for the region to be eligible for cohesion support), the presence of structural problems in the development of the region. A very important criterion is the degree to which it is representative for the respective country both in terms of general characteristics and specifically in terms of policy-making structures with respect to EU-related policies for regional development.

All six Bulgarian NUTS2 regions are representative as EU-related regional policy-making structures. The reasons for this situation are three. First, the Regional Development Law of 2004 specifies the policy-making structures for regional development on a national basis and different regions cannot deviate substantially from these regulations. Second, under the 2007-2013 planning period Bulgaria has one single national operating program for regional development, meaning that there is one single national Managing Authority, Monitoring Committee, etc., for all six regions, adding another layer of similarities in the policy structures. Third, before the integration into the EU Bulgaria has had no previous experience with policy-making at the regional level, meaning there are no traditions, personal and institutional experiences and habits, established formal or informal channels of communication and decision-making which may have through time and path-dependence created significant differences in policy-making practices between the Bulgarian regions. In this respect maybe only the Southwestern planning region, which includes the capital city Sofia, stands out as possibly structurally different because the Sofia municipality, which in terms of economics and politics is a longstanding and influential participant in both local and national policy-making, has strong and relevant formal and informal ties with the central government. Thus any region in the country, except the one including the capital city, would be representative for Bulgaria for the planning period under consideration.

## I.2. Basic characteristics of the region BG42

The major criteria for selection of a Bulgarian region as a case study for the social network analysis, besides not including the capital city and being representative in terms of policy-making structure, are that the region should preferably be relatively large in terms of population and levels of economic activity, and average in terms of development levels and existing structural problems. The region which seems to fit these criteria best is the South Central planning region, which under the Eurostat identification is identified as European Region BG42.

The South Central region of Bulgaria is geographically situated between the capital city Sofia and the Black sea coast south of the Balkan mountain range. It contains the second largest Bulgarian city – Plovdiv, and with 1.9 million people is also the second largest in terms of population. The physical geography of the region is diverse. It encompasses fertile plains (the Thracian plain), mountains (the Rhodope mountain to the south, the Sredna Gora chain and the southern slopes of the Balkan range to the north) and valleys (the chain of “sub-Balkan” valleys locked between the Balkan range and Sredna Gora), with three major rivers (Maritsa, Tundja and Arda) cutting through it. It is also a border region, situated next to both another EU member country (Greece, the bordering Greek NUTS2 region is Anatoliki Makedonia, Thraki), and a candidate country (Turkey, the Turkish province bordering the South Central region is Edirne within the NUTS2-equivalent region Tekirdag).

The social characteristics of the South Central planning region indicate that it is very diverse. People in the region live in major urban centers, in smaller towns, in agricultural areas, and in remote mountain communities. Besides the ethnic Bulgarian majority, the region hosts a very high, relative to the national average, proportion of minorities. The district of Kurdjali in the Eastern Rhodope mountain has one of the largest concentrations of Turkish Muslim population, while the city of Plovdiv and other urban centers in the region have large concentrations of Roma. The structure of minority concentrations seems to have a geographical pattern, with the Turkish population situated in the mountainous areas of the region, and the Roma minority situated in the bigger cities. Traditionally Plovdiv also enjoys a significant presence of Armenians, Jews, and Greeks. Some of the villages and towns close to the mountains of the

region have become the places of settlement of the Karakachans, previously nomadic people who preserved their traditions as late as the second half of the 20<sup>th</sup> century.

### I.3. Economic structure and development

The overall level of economic activity in the South Central region ranks it second in size in the country. It produces about 16 % of the national gross domestic product (data for 2004), with this share being relatively constant since 1998. The level of development of the region, expressed in terms of income per capita and human development index, show that the region is one of the poorest in the country. The level of income per capita at purchasing power standard is 25.6 % of the EU-27 average in 2004, which makes it the poorest region in Bulgaria together with the Northeastern region. The 2003 human development index, calculated on the basis of district level data (UNDP 2003) is 0.802, which is tied for second lowest in the country. At the same time, given the relatively low level of development in the region, the available time series data (Eurostat) indicate that, after the leading Southwestern region, this has been the fastest catching-up region in the country, improving its income per capita relative to the EU-27 average by 5 percentage points between 1999 and 2004.

The structure of the overall economic activity in the South Central region reflects its diversity. Over the most recent 5 years, for which data are available, about 13 % of the regional product has been generated in the agricultural sector. This is about four percentage points higher than for the national economy, indicating that for this region agriculture, agricultural policies, and agricultural communities may be more important than elsewhere. At the same time, at about 30 % the region enjoys the highest share of industry in the regional economy of all Bulgarian regions. This reflects the fact that some of the major cities of the region are important industrial centers, while the Rhodope and Sredna Gora mountains offer many ore deposits, which serve as a basis for mining and processing. Reflecting the high shares of agriculture and industry, the service sector of the region is significantly less important than it is on the national level (44 vs. 51 %).

The level of unemployment in the South Central region for 2005 is around the national average of 10 %, and like the rest of the country has exhibited a strong positive development over the preceding 5 years. The employment levels (measured as percent of total population) in the region,

which in 2005 stand at 43.7 %, have exhibited similar dynamic of being close to the national average and improving over the recent years.

#### I.4. Political climate

The political developments in the South Central region reflect to a large extent the national processes. In Bulgaria there are no regional politics, since there is no regional self-government level. None of the regional level actors of the policy-making network are elected. Thus there are only three sources of politics in the region, none of which is concentrated specifically on the region as a single entity. The first are the municipalities which have elected self-government represented by the mayors and the municipal councils. The second is the parliamentary elections, because due to the proportional voting system in Bulgaria each district forms a single multi-mandate electoral unit so that campaigning and voting concentrate at the level of districts. The third is the central government, which has its own political agenda and promotes it using the district governors which are centrally appointed.

The region is politically interesting, because one of its districts – Kurdjali – is dominated by the Turkish population and its political representation, the Movement for Rights and Freedoms (MRF). Usually most of the mayors and all the parliamentary deputies from this district are from the MRF. For the rest of the region, politics follow the national developments. In the 1990s the major competition, both in terms of local government and national government, was between the ex-communist Bulgarian Socialist Party (BSP) and the anti-communist Union of Democratic Forces (UDF). Since the 2003 local elections, there have been two major political changes. The first is a tendency, in which the South Central region was a leader, of business people organizing themselves politically and becoming municipal councilors. The second is for the emergence of new parties at the national level, which quickly gain popularity and respectively representation at the local level. The combination of these two tendencies has led to a relatively high fragmentation of the political representation in the municipal councils and among mayors. This makes it relatively difficult to have a unified political program and agenda in the region.

#### I.5. Patterns of interest representation

Given the very young age of regional policy-making in Bulgaria, no clear patterns of representation at this level can be discerned. However, given the present institutional setup and the responses of various regional actors, some inferences can be made.

The bigger cities are well represented. Their mayors are significantly more powerful than average, and their business and civil society organization have a relatively straight-forward and recognized access to decision-making. Also, the district governors are situated in these cities, offering another opportunity for interest representation.

The smaller municipalities, especially the ones which are entirely rural or in remote mountainous areas, face a challenge in ensuring their representation both as local government and as civil society. It seems that the response to this situation is an attempt to develop and maintain contacts with as many stakeholders in the decision-making process as possible, so that the chances of these communities having their voices heard increase.

The third pattern is used by some of the business organizations and the trade unions and it focuses on representing their local and regional interests to the national level of their own organizations, and then having the national business or labor representation influence the respective decisions. This strategy is a reflection of the relatively high level of centralization of the country and the historical lack of authentic regional policy-making.

#### I.6. Major developmental problems

Besides the general challenges of being a relatively poor region in a relatively poor member of the EU, the South Central planning region faces some specific developmental challenges. They are related to its geographical, social, and economic structure.

Possibly the most serious developmental challenge is the integration of minorities, especially the Roma. This challenge crosses various policy sectors such as education, labor market policies, territorial development, urban issues, security and justice.

A second developmental challenge is the formulation of effective policies for the remote mountainous communities, which enable them to both preserve their environment and traditions, and have access to modernity.

A third challenge is related to the achievement and observation of environmental standards in the region, especially in its industrial areas. As mentioned above, the region has the highest share of industry in its gross domestic product of all Bulgarian regions, and this comes at the price of relatively higher pollution. In the South Central region of Bulgaria regional development and environmental protection are deeply intertwined, and the policies in the two areas have to be craftily coordinated.

A fourth challenge facing the development of the region is its infrastructure. While this challenge exists for all other Bulgarian regions, the South Central region has a specific advantage as a transit point for goods, materials, energy, etc. It can benefit more than the average Bulgarian region from developing the respective infrastructure. Many projects in this respect are in the pipeline, but the region needs to develop the capacity to shape them in a way serving the long-term prospects of its citizens in the best possible way.

## II. Results from the Social Network Analysis of policy-making in the South Central planning region in Bulgaria: Structure of the Network

### II.1. Major actors and their role

The analysis of the policy-making network of the South Central planning region in Bulgaria needs several qualifications. First, it is based on 44 interviews, taken in the spring and summer of 2007. Second, it reflects the specific problems of the Bulgarian regional policy-making related to the EU regional development policy, and especially the fact that the network is still being established. Third, it reflects the fact that the status of the regional development agenda of the South Central planning region is not of a separate operating program, but of one of six regional development plans under a single national operating program.

The major institutions, involved in the formulation of 2007-2013 EU-funded regional development program in the South Central planning region in Bulgaria, fall in several categories: central government, regional authorities, municipalities, and civil society actors. The central government includes Parliamentary Committee on local self-government, regional policy and public works, the Ministry of Regional Development and Public Works (MRDPW), the Managing Authority, which is a unit within this ministry, the Ministry of Finance as a separate central government actor coordinating all issues related to EU-funding, a number of line

ministries (of agriculture, labor and social policy, transport, economy and energy, environment) whose activities, although under other operating programs, have relevance for the regional development. The regional actors include regional unit of the Managing Authority in the South Central region, the Regional Development Council, the district governors and the district development councils in the districts of the region. The local government actors include mayors and municipal councils in the district centers, as well as mayors and municipal councils of other municipalities in the region. The civil society actors form three distinct groups, namely business associations, trade unions, and civic activity non-government organizations.

By design, after being acquainted with the EU-level strategic documents on regional development, the local actors have to inform the process of creation of programming documents from the bottom up. Municipalities and civil society actors play the crucial role in the creation of local development plans. These plans serve as the basis of district development strategies, prepared by the district development councils under the district governors in cooperation with municipalities and civil society actors. The district development plans are the basis, on which the Regional Development Council, consisting of actors from all four groups mentioned above, prepares and adopts a regional development plan. Then, according to the institutional design, the six regional development plans are combined by the Ministry of Regional Development and Public Works to formulate the National Strategic Reference Framework (NRSF) and the Operating Program for Regional Development (OPRD).

In reality, this design was not followed in Bulgaria in general, and in the South Central planning region in particular. Given the lack of time, lack of experience, and lack of previously existing policy-making structures at the regional level, the NSRF and the OPRD were prepared by the central government in parallel with the bottom up development of the regional development plans, and naturally reflected very few of their priorities. The actors from the region itself are explicit in their frustration with the fact that all the efforts to coordinate the bottom-up process of generating all the programming documents up to the regional development plan came to next to no fruition.

## II.2. Network structure: quantitative results

The structure of the policy-making network of the South Central planning region in Bulgaria is described below using the established measures describing social networks. The analysis is performed using the UCINET software package, version 6 (Borgatti, Everett, and Freeman, 2002). The goal is to establish and interpret the network's density, presence of central actors, structure in terms of categories of actors, and to represent the network graphically. With the exception of the structural equivalence procedure, which is based only on the leading measure of contact frequency, the other quantitative and the graphical results are performed at four levels. The basic level measures the existence and frequency of contacts between the network actors. The second level is the presence of contacts between the network's actors specifically related to the issues of EU funding. The third level is the presence of informal contacts between the actors, meaning contacts outside their official capacities and official work time. The fourth level, at which the network is examined, is the subjective evaluation of the network actors about how influential the other actors were with respect to the setting of the regional development policies for the programming period 2007-2013.

#### II.2.a. Cohesion and density

The density of the basic formal policy network for the South Central region in Bulgaria, as measured by the matrix average, can be valued in two ways. First, if the simple existence of a connection is considered, so that the adjacency matrix is binary, the density of the network is 0.87, meaning that about 87 percent of the possible connections are actually reported as existing by the network actors. Second, if the frequency of the connections is taken into account, so that the adjacency matrix is valued with values ranging from 4 for daily contact through 3 for weekly, 2 for monthly, 1 for once in several months and 0 for no contacts, the density is measured at 1.45, meaning that even though many of the possible contacts are in existence, their average frequency is not very high – between one and several months. The respective standard deviations of the density are relatively small for the binary matrix at 0.34, and relatively large for the valued matrix at 0.88. This is interpreted to mean that while many of the possible contacts do exist, there are a relatively small number of contacts which are of high frequency. Actually, the only reported daily contact frequency is between the Managing Authority at the MRDPW and its Regional Unit in the South Central region.



This finding can be combined with some of the responses of network actors during the interviews, which point towards the conclusion that the higher contact frequencies are not very regular, but rather periodically activated. This means that there are periods of low contact intensity, and then there are periods of higher intensity during which the network is active. This is especially the case with the Regional Development Council (RDC). The reports of the other actors indicate that the contacts with the RDC were especially intensive and regular during the period of preparation of the Regional Development Plan, but were almost nonexistent in other times.

At the second level of network examination, the network is very sparse in terms of contacts related to EU funding. The density measure is 0.12 with a standard deviation of 0.32. Thus according to the responses of the actors, only approximately one in seven of the existing contacts between them is also a contact which is used in relation to issues of EU funding. This statement, however, needs to be qualified in terms of the context, assumed by the respondents. Most of them considered the question to be addressing contacts between actors with respect to specific projects, funded by the EU pre-accession funds, and generally did not consider contacts with respect to the process of preparation of the regional development plan as an EU funding related contact. Given this observation, the density of the EU funding related contacts is an indirect indicator of the scarcity of the policy network with respect to the pre-accession instruments, whose governance structure was strictly top-down.

At the third level of network examination the actors were asked to identify the existence of informal, outside of their official duties and work time, contacts with other actors in the network. The matrix average density of this aspect of the network is 0.19, with a standard deviation of 0.39. This means that one quarter of the existing contacts are either only informal, or supplemented by informal relationships. In light of different studies on the propensity of Bulgarians to use informal networking contacts (Ganev After the accession, Iliev State of Society I), this density seems to be low relative to the traditional use of informal networking in the country. Many factors may account for this relative discrepancy, but probably the most important one is the fact that this network is relatively new in terms of official institutionalization, and the period under consideration is the first ever regional policy-making period in the recent Bulgarian history, so no previous relationships between many important actors in this specific network

previously existed in any form. The development of informal contacts around the official links within the network may require time.

The fourth level of network examination, the perceptions of the various actors about the level of influence of their counterparts in the network, indicates a density of 0.30 with a standard deviation of 0.46. Every actor in the specified network is mentioned at least once by some of their counterparts as important and influential in the policy-making process, but the attribution of influence is relatively concentrated among few actors, as will be shown below.

#### II.2.b. Centralization of the network

The centrality measures of the network, presented below, show the degree to which the contacts among actors are evenly or unevenly spread. The centrality measures indicate the average concentration of the overall number of contacts on a few members of the network (degree centrality), the strategic positioning of individual actors as links between other actors (betweenness centrality), and the presence of actors who are significantly closer to the network as a whole than average (closeness centrality). These three centrality measures carry different information about the structure of the network, which can be used for making inferences about the relative importance of the different members of the network in terms of its operation, and in terms of their relative power positions relative to other actors with respect to the ultimate goal of the network, which is the formulation of regional development policy in relation to the EU regional development framework.

The basic network of contacts, measured using a valued adjacency matrix where the values indicate contact frequency, has 17.4 % centralization in terms of out-degree, and 22.8 % centralization in terms of in-degree. The levels of closeness centrality, showing the average closeness of actors to the other actors in the space defined by the network, are very similar – the in-centralization is 22.7 %, and the out-centralization is 23.8 %. At the same time, the betweenness centrality measure of 0.9 % indicates a very low level of actors serving as links between other actors.

In terms of degree and closeness centrality, the most connected actors are the mayors of municipalities other than the district centers. This may be considered somewhat surprising, given their relatively weak position within the formal institutionalization of the policy-making process, the relative lack of access to resources, and the relatively smaller populations they represent. At

the same time, the context of these municipalities in the subnational governance structure makes such a result much less surprising. The smaller municipalities, which are usually rural, less developed, have to be very active in terms of making their case in front of various institutions to be able to pursue their goals. This means that their circumstances impose on them the necessity to develop and maintain as many contacts with the other actors as possible, and this is captured by the centrality measure of the overall network. The other actors which exhibit high levels of degree and closeness are the district governors and the MRDPW – they are maximally close to everyone else in the network, and have a large number of out-degrees and in-degrees contacts.

The degree centrality of the network when viewed through the reported informal contacts at 52.4 % is more than twice higher than for the formal basic network. Three actors – the district governors, the district development councils, and the regional development council – seem to concentrate the informal ties of the network. This observation is confirmed by the betweenness and closeness measures of centrality, where these three actors are joined by the Ministry of Finance as well. It is notable that these three centers of informal contacts are the only regional level actors who have been in existence for some time (the fourth one – the regional unit of the Managing Authority – has been institutionalized and in existence for several months only). Under the present setup of regional policy in Bulgaria, the regional actors are in fact deconcentrations of the central government, which do not have resources or important powers of their own, but which are at the same time embedded in the regional context and in constant interaction with the local self-government and civil society. Informality and providing linkages between other actors seem like natural roles for them.

The centrality of the network is quite different when the influence of the different actors is measured. From this point of view, the network is again relatively concentrated (degree centrality of 51.4 %), with two actors dominating the landscape – the MRDPW and the Ministry of Finance, with the other line ministries also being regularly reported as having significant influence in the policy-making process. This is a direct recognition on the part of the regional policy-making network actors of the fact that ultimately it is the ministries which have the necessary power and decision-making and administrative capacity to define and shape the whole process of creation of policies for regional development. This is also a direct reflection of the institutional design of the 2007-2013 regional development framework in Bulgaria, which

envisages a single national operating program in this area, and the program is ultimately decided between these two ministries.

### II.2.c. Structural equivalence

The basic policy-making network, described by the general number of contacts and their frequencies, allows the performance of analysis of structure aiming at the discovery of various groupings of actors, in which they are linked and share common positioning within the network. This structural equivalence analysis is performed using the CONCOR procedure, which allows a clear separation of actor categories. The results of the procedure are presented on Figure 1 below, using the following actor abbreviations:

parliamentary committee:	Parliamentary Committee on Local Self Governance, Regional Policy and Public Works
managing authority:	Managing Authority of the Operating Program for Regional Development
regional unit:	Regional Unit of the Managing Authority, situated in Plovdiv
RegDevMin:	Ministry of Regional Development and Public Works (units other than the Managing Authority)
MinFin:	Ministry of Finance
Ministries:	Line Ministries
RDC:	Regional Development Council
district dev councils:	District Development Councils in the districts within the planning region
district governors:	District Governors
district center mayors:	Mayors of municipalities which are also seats of district governors
other mayors:	mayors of municipalities other than the seats of district governors

district center municipal council: municipal councilors from cities which are also seats of district governors

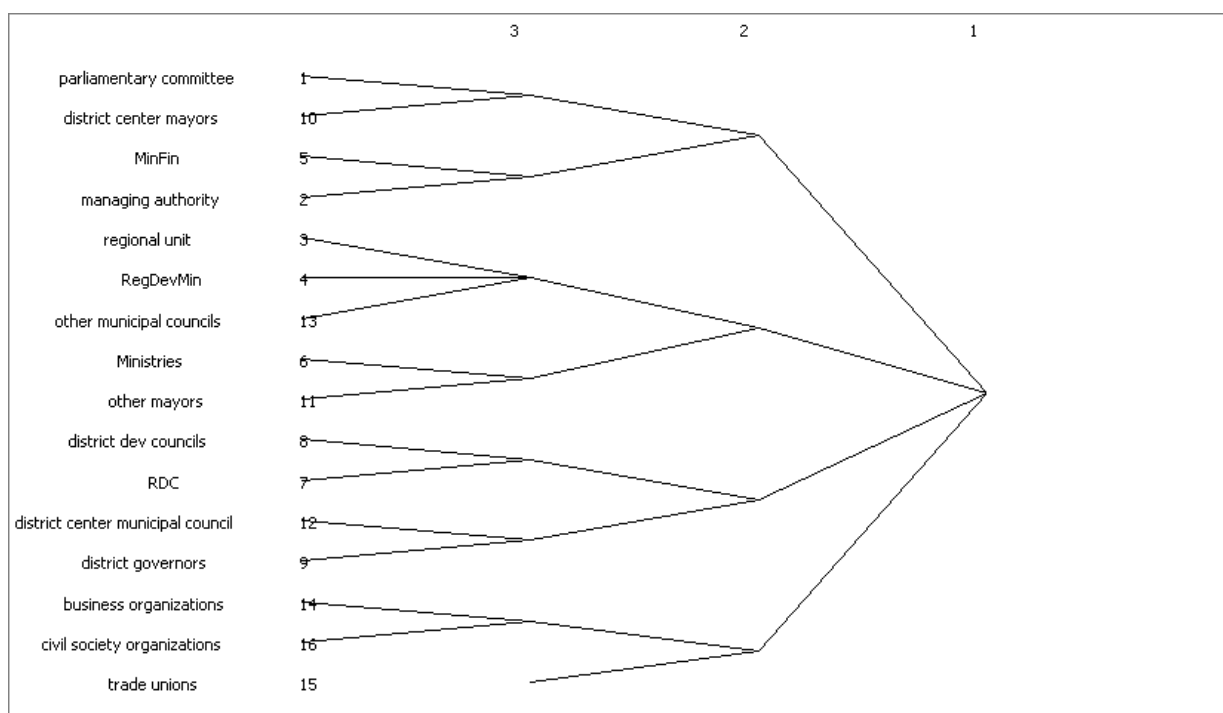
other municipal councils: municipal councilors from municipalities other than the seats of district governors

business organizations: business and employers organizations in the region

trade unions: nationally representative trade unions and their representatives in the region

civil society organizations: civil society and non-government organizations in the region

Figure 1. Structural Equivalence of the South Central region policy network



The CONCOR procedure splits the network into 4 second level categories and 7 third level categories. These categories seem to be evenly spread, so there are no clearly visible large groupings of actors, with the trade unions not being able to be grouped at the third level with anyone at all.

Possibly the most coherent looking second level category is the one including all three types of civil society actors. This category splits from the rest of the network, and in a sense the policy-making reality can be described as the civil society actors versus the government.

The other second and third level sub-networks also provide grounds for inference. There is a clearly discernible category involving the district centers: the district governors, district development councils, the municipal councils of the district centers, and the RDC, which is to a large part composed by the other actors in this category. This category can further be split into a group of the development councils (district and regional), and a group of the district governors and the municipal councils of the district centers.

The Regional Development ministry, combined with the line ministries and the regional unit, form another second level category, where the mayors and municipal councils of municipalities other than the district centers are also incorporated. The presence of the municipal actors in this category may be explained with the already mentioned necessity on their part to maintain many connections as a form of access to decision-making and furthering and representing their interest. The structural equivalence analysis seems to indicate that this strategy concentrates on being close to the bodies of the executive branch.

The last category involves a very natural union between the Managing Authority and the Ministry of Finance, which are very close as both institutional design and positions, and a more interesting and difficult to interpret grouping of the parliamentary committee with the mayors of district centers.

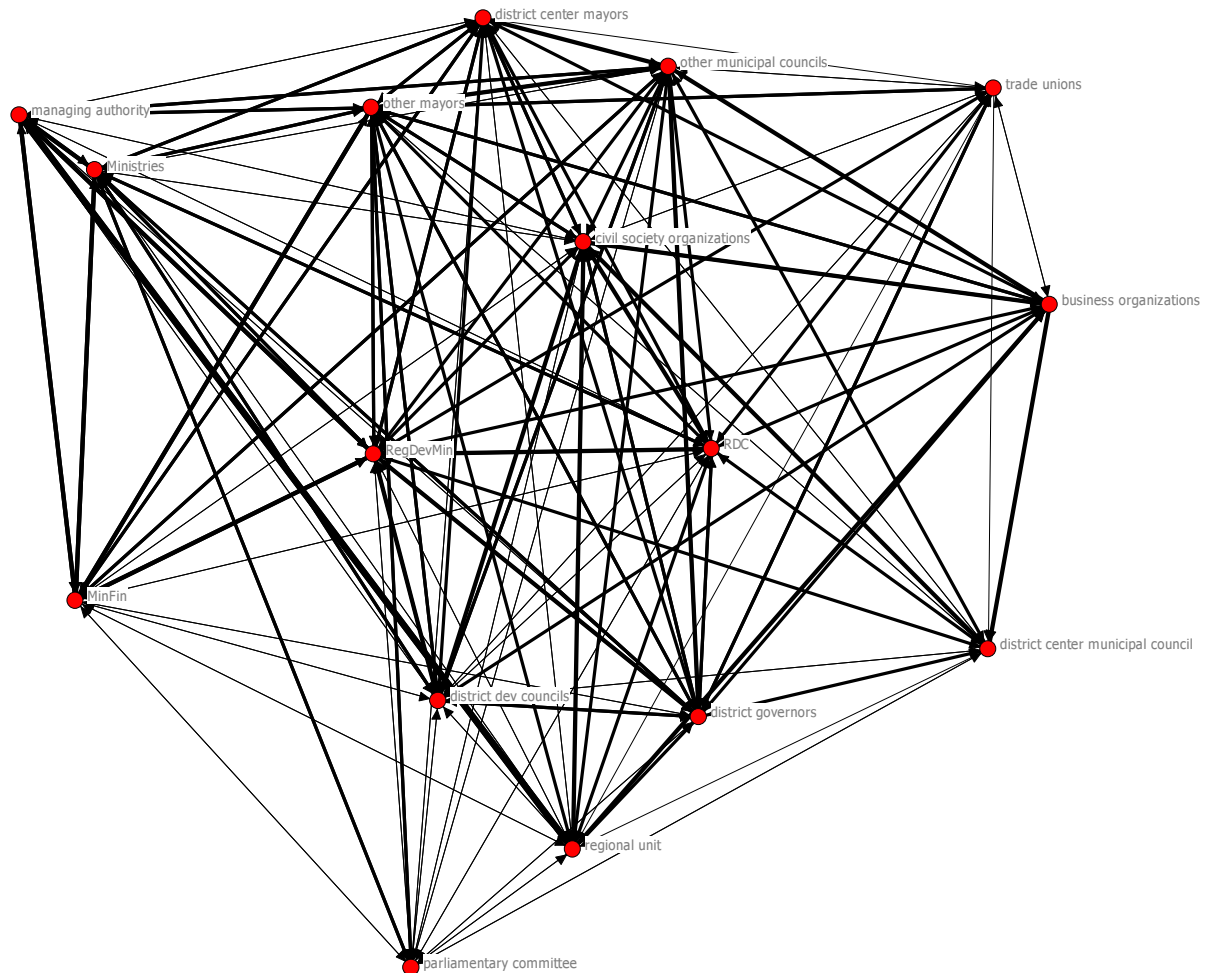
#### II.2.d. Graphs of the network

This section presents the graphical representation of the four levels of examination of the policy-making network of the Bulgarian South Central planning region – the general network, the network of contacts specifically related to EU-funded projects in the past, the network indicated informal relations, and the influence attribution network.

The graphical representation uses the UCINET software's multi-dimensional scaling (MDS) tool, which attempts to project the multidimensional distances between the nodes of the network onto a two-dimensional graph in a way which most closely visually preserves the actual distances.

The graph of the general network, showing all reported contacts, with valued edges where the values reflect frequency of contact, is presented in Figure 2.

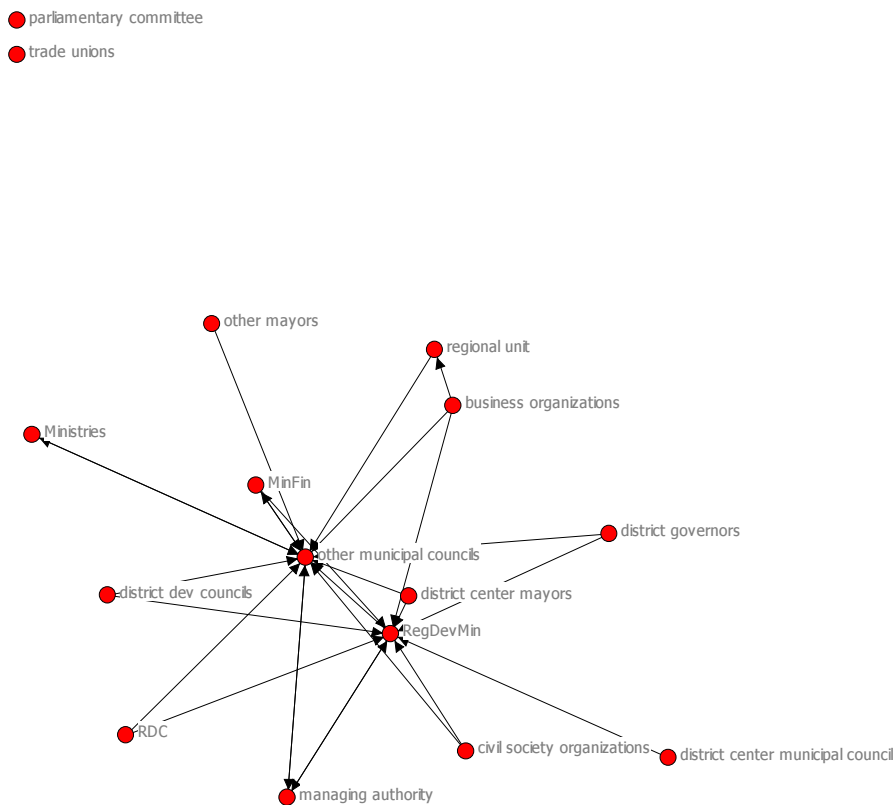
Figure 2. Graph of the general South Central policy-making network



This graphical representation confirms that it is difficult to separate specific core member of the network and contacts are relatively evenly spread. The only relatively isolated members of the network are the parliamentary committee and the trade unions. Other actors visualized as relatively peripheral are the municipal councils and the business organizations. This leads to the conclusion, that while in terms of structural equivalence the three types of civil society actors form a separate category, the civil society organizations belong much more than the business organizations and the trade unions to the core of the network. In terms of proximity, the ministries form a relatively close group of nodes, the mayors form another, and the regional level actors are also relatively close.

The graph of the network of contacts related to EU-funded projects, shown in Figure 3, demonstrates the much lower density of this network.

Figure 3. Graph of the EU-finding related contacts in the South Central policy-making network

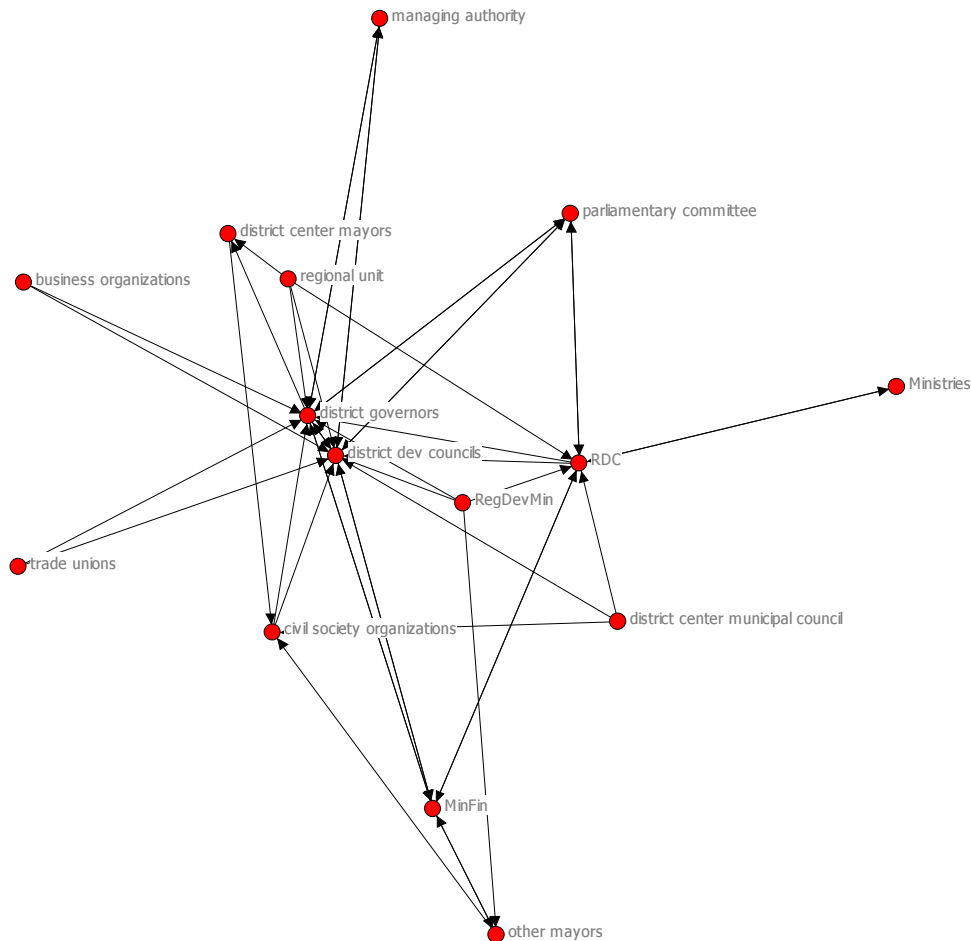


The contacts within the regional policy-making network, related specifically to EU-funding for regional development exhibit a very sparse and simple structure. There are two hubs in this aspect of the network, the regional development ministry, and the municipal councils of municipalities other than district centers. While the status of the ministry as a hub does not seem to require explanation, the same is relatively surprising for the otherwise close to the periphery municipal councils. It may be due to the need on their part to maintain many contacts in order to get access to the respective projects. With the further institutionalization of EU-funded regional development policies this necessity may weaken, and this hub may become much less prominent in the future planning periods.



Figure 4 below exhibits the graphical representation of the network of informal contacts within the South Central policy-making network.

Figure 4. Graph of reported informal contacts in the South Central policy-making network

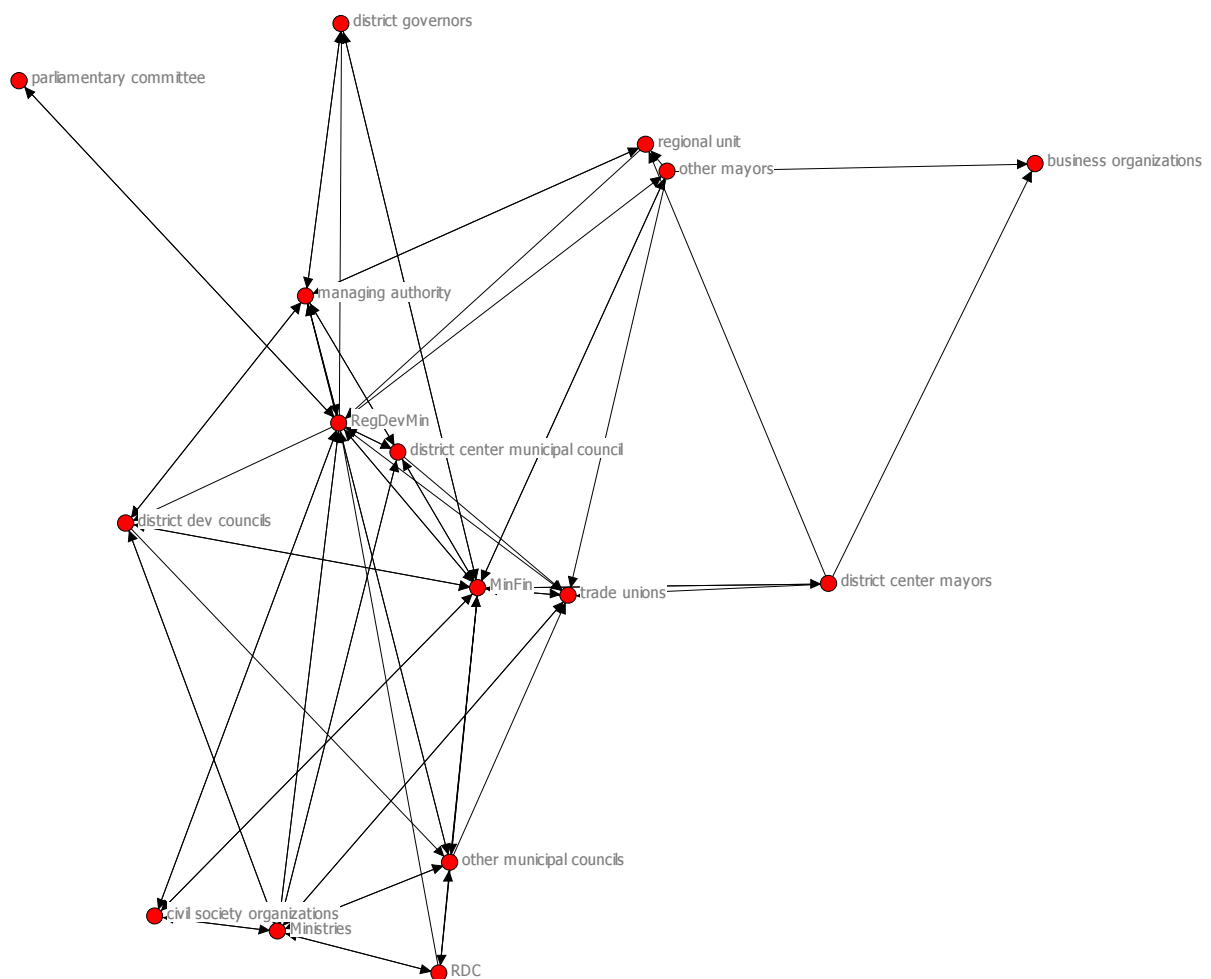


The clear core members of the relatively sparse network of informal contacts within the South Central regional policy-making are the district governors, the district development councils and the regional development council. Interestingly, they are actors with envisaged important role in the officially institutionalized process of generating the strategic documents on regional policy, while at the same time they do not enjoy many or any discretionary powers. In this situation it seems natural that they may develop informal means of influencing the other actors whose cooperation is important for their functions.

Among the other actors it is interesting to note that the line ministries and the Managing Authority do not exhibit informal embeddedness in the network. Such a result is also visible for the trade unions and the business organizations, which once again seem significantly less included than the non-government organizations.

The last level of examination of the policy-making network in the South Central region, utilized in the social network analysis, is the one reflecting the actors perception about how influential their network partners are in the policy-making process, presented on Figure 5.

Figure 5. Graph of influence attribution in the South Central policy-making network



The two most clear core members of the network with influence in the policy-making process are ministries of regional development and of finance, which are institutionally central in the

preparation of the national regional development program, and also have actually played their role as final decision-makers in reality. Many actors also report the municipal councils as important, possibly due to the fact that as locally elected bodies they were responsible for starting the process of generation of strategic documents with the preparation of municipal development plans.

In interesting detail is that many actors envisage the trade unions as influential in the policy setting process, even though in all other representations of the network they seem to be peripheral at best. This may be an indication of the reputation of the trade unions from other social processes which the network actors transfer to their potential to influence the regional policy-making process as well.

### III. Evaluation of learning and administrative capacity: qualitative analysis

#### III.1. Evaluating the learning capacity for regional policy-making

##### III.1.a. Dialogue and negotiation

The analysis of the design of regional policy-making and implementing structures in Bulgaria, as well as the fieldwork in the South Central region indicate that there are two major centers, where dialogue and negotiation take place. In terms of defining strategies and setting policies, this is the Regional Development Council, and with respect to implementation this is the Regional Unit.

In preparing the strategy for regional development, the RDC takes into account the respective development documents by all the municipalities and the district governors, which are themselves prepared through dialogue and involvement of numerous social actors. The deliberation of the regional strategy over a number of sittings of the RDC is the forum at which all major positions and propositions are heard, and where these positions are negotiated towards reaching a unified document.

The Regional Unit is a similar meeting point of actors and interests with respect to the implementation phase of the EU-related regional development policies. It has to combine local, regional and national social actors and experts to form the selection committees, and has to be the first instance for supervising the application and selection processes.

In the case of the 2007-2013 planning period in Bulgaria, both these fora for dialogue and negotiation are underdeveloped. In the case of the RDC, the time for developing the regional strategies was very short after the 2004 Regional Development Law, and involved also a long period of consolidation of the regional strategies into a single operating program at the national level. The regional development strategy was deliberated over 4 sittings of the council between March and November 2005, with many of the municipal and district development strategies progressing at the same time, impeding the process of coordination, discussion and negotiation. All the respondents to interviews and questionnaires coming from within the region agreed with the statement, that the eventually the input of the regional actors into the final operating program was very limited. The same is true for the Regional Unit, which for the 2007-2013 period is not a managing authority, but just an intermediary unit appointed by the managing authority which naturally impedes its ability to serve as a credible point of meeting and negotiation between groups and interests based in the region.

These weaknesses, characterizing the 2007-2013 programming period, are well recognized by the local actors, and they explicitly declare their intentions to use this experience to improve the process for the next programming period. Also, all regional actors believe that the elimination of the necessity to have a single national regional development operating program will free time for a longer and more consistent bottom-up (from municipalities through the districts to the regional level) development of strategic documents, as well as for more profound and refined discussion and negotiation the various documents into a regional operating program, whose implementation will be based solely in the region. In the words of the head of the Regional Unit, “we are all learning.”

### III.1.b. Adaptation of network structure

The future changes in the regional policy-making network in the South-Central region are envisaged in two main directions. First, they expect for informal links to develop significantly over time resulting in a much denser network of informal relations than the one depicted on Figure 4. Moreover, this will happen in an environment uninhibited by old informal links of a policy network, since such a network has never existed previously.

Second, the network structure will change due to expected shifts of decision-making powers from the national government down to a set of regional actors, such as the municipalities, the RDC,

and the Regional Unit. The constitutional amendment of February 2007 allowed the municipalities to set the rates of local taxes, which the local actors firmly believe will increase their command over resources for development. The expected changeover from a single national operating program towards separate regional operating programs for development for the 2014-2020 programming period will transfer authority down from the central government towards the RDC, the Regional Unit which is expected to assume the role of Managing Authority, and the Monitoring Committee to be created at the regional level. This will certainly have an effect on the centrality, both formal and informal, of the network, on the actual role and influence of all actors in the policy-making and implementing process.

### III.1.c. Public-private partnership

The formal result from the structural equivalence analysis, illustrated on Figure 1 and indicating a clear split in the actual policy network between the civil society actors and the rest of the network, is confirmed qualitatively by the interviews on the field. Formally, civil society actors are included in the network in observation of the partnership principle, they are invited to sittings, and their positions and proposals are heard. However, the representatives of the civil society organizations consistently note during the interviews that the attitude towards their participation is mostly formal, and that their ability to influence final decisions is very limited.

It seems that during the programming phase for 2007-2013, the public-private partnership has received mostly lip-service. However, this may be less the case with the implementation phase, since the requirements for civil society representation in the committees selecting the projects and in the monitoring bodies provides them with real influence, as well as with access to procedures and information which they clearly intend to use to embed themselves further in the policy-making process.

### III.1.d. Common understanding of major issues

The fact that most of the local and regional actors did not see much of their input in the strategy-making process make it into the final strategic documents is to a large extent due to the very high level of centralization in Bulgaria, but not entirely. Another important reason for this is the discrepancy between the content of this input and the requirements for a strategy. Most of the users of the municipal and district development plans, mainly members of the RDC and experts who had to incorporate these plans into a regional strategy, agree that they resembled more

“laundry lists” of specific desired projects rather than documents based on a strategic vision, providing strategic priorities and outlining programs.

When confronted with a question to that respect, most of the local actors (mayors, municipal councilors, district representatives) recognized the fact and explained it with the combination of very short deadlines and complete lack of previous experience. At the same time all of them claim that they understand the problem and are confident that the quality of their input will be significantly better for the next programming period.

#### III.1.e. Policy adaptation

The fieldwork in the South-Central region in Bulgaria indicates a very positive attitude towards changing and adapting policies at all levels. This is envisaged as improvements in two directions. One is a better fit of national policies with the strategic priorities and regional policy vision at the EU level. The other is a better fit of regional policies with the developmental needs of the specific region.

In both instances the optimism is based on the conviction that when policies for regional development are formulated in the future, there will be both more time and more experience at the disposal of the relevant actors. At the same time it is recognized that when the separate regional operating programs start, the issue of their mutual recognition and coordination will arise.

#### III.2. Types of institutional networks

By design, the regional policy-making network in Bulgaria should involve numerous linkages between actors and many centers of decision-making, so it should become, after a period of initial building, very dense and not very centralized. The number of actors envisaged in the legislation is significant, the list of social partners to be involved is extensive, the programming, implementing and monitoring phases envisage broad participation in decisions and actions.

In reality so far, the network is centralized, especially in terms of informality and influence. There is a complete consensus among the actors that programming for 2007-2013 happened top-down with the participation of regional actors being only formal.

### III.3. Central-local relations

Bulgaria started its integration in the EU regional development policy framework as an extremely centralized unitary state. Since then it has defined its regions, with the definition not firmly established yet, developed some institutions focused at the regional level, but without a resource or electoral base, and prepared first strategies for regional development, in a process highly centralized in the hands of the national government.

A major development, which can potentially improve the capacity for authentic regional policies, is the beginning of a process of fiscal decentralization with a constitutional change allowing municipalities to set local tax rates. This will transfer decision-making powers with respect to resources and policies down to one of the important regionally embedded actors.

A major decision, which will affect the capacity for regional policy-making in the future, is the addition of a regional layer of elected self-government. While all actors in the policy-making network for the South-Central region who came from within the region or were based in it were explicitly enthusiastic about such a change, the political realities in the country at present do not allow a prediction that this demand from below will be met by a favorable response in the political establishment at the national level.

### III.4. Role of non-state actors

The main qualitative inference from the fieldwork study in the Bulgarian South-Central region is that the non-state actors are recognized as stakeholders, but underutilized. Their involvement, while formally realized, has not led to a tangible contribution in areas where their strengths are: interest representation, generation of ideas, and expertise. Most of the respondents to the interviews considered this as a temporary problem, but also a problem which will need to be addressed in the future.

It is also universally recognized that the linkages of trust between the non-state actors and the numerous newly constituted government actors, such as the RDC, the Regional Unit, the project selection committees, the Monitoring Committee, will take time to develop, even though both sides agree that this will certainly happen.

Some of the respondents outlined directions in which the non-state actors can be particularly useful, which are not among the traditionally mentioned ones. One such direction is the ability of non-state actors to aid the precision and effectiveness of regional development policies by providing linkages to other policies and also to private projects with respective emergence of synergies. Another direction is the ability to create, maintain and make internally relevant contacts with actors from neighboring regions, especially cross-border regions, which are particularly important in the case of the South-Central region.

#### IV. Conclusion: EU and Bulgarian regional policies

In the case of Bulgaria, the EU is by far the most important factor with respect to regional policy-making structure and performance. The presently existing regions in the country were created in the last two years of the 20<sup>th</sup> century in an institutionally, politically and socially empty space, with the country completely lacking regional traditions or experience for a number of decades. The EU integration prospects and the understanding on the part of the Bulgarian governments that the Union has an established system of policies for regional development, with respective availability of opportunities and resources, are the sole reason for having regions in Bulgaria today.

The necessity to adopt regional development legislation, to set up respective bodies, and to prepare a regional development operating program is the major factor making the regional policy-making process move in Bulgaria. It is also the major factor shaping the way in which the different actors are involved, and will be involved in the future.

Most of the future of regional policy-making and its structure in Bulgaria is seen by the relevant social actors through the prism of EU regional development visions and funding. Given the fact that regional development structures and policies start from a *tabula rasa* in Bulgaria, they, as well as the accompanying policy networks, will at least initially be highly dependent and responsive to signals, coming from the various EU-level bodies, involved in the regional development policies.

Thus, the EU is also set to be the major agent of change in the Bulgarian governance structures with respect to regional development policies. The EU is pressing for regionalization in a traditionally highly centralized country. Its push from above with respect to the central Bulgarian



government is added to the pull towards decentralization from below, improving significantly the political chances for further reforms in this direction to take place.

One way, in which the regional actors in Bulgaria see clearly how the EU can encourage the decentralization and regionalization processes in the country, is by being less shy about contacting the regions directly, rather than through the national government. They see as crucial in this respect the programming phase for the 2014-2020 period, when separate regional operating programs will have to be developed. The EU will, formally and informally, have a strong say about the influence and strength of the regional actors, relative to the central government, in this process. In this way it will inevitably shape the direction in which the regional policy-making networks and their practices will develop in the future.

Still, with all the importance of the signals from the EU in shaping the emerging Bulgarian regional policy-making, one crucial issue of purely national competence remains to be resolved. It is the issue of introducing some level of self-governance between the local and the national, and its backing with respective resources and capacities. The regional and national actors in the country clearly recognize the importance and pertinence of this choice, facing the Bulgarian society. Regardless of the EU-related pressures and signals, the way in which the Bulgarian society decides whether and how such a mezzo-level of governance will be introduced, will define and direct the further evolution of regional policy-making structures and networks in the country.

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