

**TOURISM DEVELOPMENT IN TRANSITION ECONOMIES:
AN EVALUATION OF THE DEVELOPMENT OF TOURISM AT A
BLACK SEA COASTAL DESTINATION DURING POLITICAL AND
SOCIO-ECONOMIC TRANSITION**

SVETLA IVANOVA STOYANOVA-BOZHKOVA

A thesis submitted in partial fulfilment of the requirements
of Bournemouth University for the degree of
Doctor of Philosophy

March 2011

Bournemouth University

This copy of the thesis has been supplied on condition that anyone who consults it is understood to recognise that its copyright rests with its author and due acknowledgement must always be made of the use of any material contained in, or derived from, this thesis.

ABSTRACT

Svetla Ivanova Stoyanova-Bozhkova

Tourism Development in Transition Economies: an Evaluation of the Development of Tourism at a Black Sea Coastal Destination during Political and Socio-Economic Transition

The present research addresses a gap in the academic literature on the transformation and development of coastal destinations in the transition economy of Bulgaria. It takes further the tradition in tourism studies that calls for the incorporation of the contextual change in the process of destination development. The purpose of this study was to determine whether, and in what ways, the nature of the socio-economic and political transition has influenced the processes of tourism development of a coastal tourism destination in the period 1989-2009 and if the tourism stakeholders have incorporated and implemented the principles of sustainability in the transformation and operation of the tourism sector, with the associated questions of why, why not, and how.

In order to answer the research questions, a case study research was undertaken in the Varna-Balchik destination on Bulgaria's North Black Sea coast, which allowed the study of the whole spectrum of developmental processes in the period of transition. Data for the research was collected using a multi-method research approach with a combination of secondary data and primary data gathered using qualitative research techniques including a series of stakeholder interviews and observation. The semi-structured in-depth interviews were conducted with decision-makers, involved in tourism development in the destination studied at some time over the studied period (1989-2009), from the stakeholder groups at a local, regional and national level.

This research employed the path-dependent path-creative approach to analyse the nature of transformation and conceptualise the forces which impact on tourism development on Bulgaria's North Black Sea coast. The research findings indicated that sustainability did not fit well into the rapidly changing CEE transition context. In spite of the increasing empowerment of the local

Tourism development in transition economies: an evaluation of the development of tourism at a Black Sea coastal destination during political and socio-economic transition

communities and their attempts to achieve balanced development by implementing integrated and long-term planning, the primary data revealed growing concerns over the ineffectiveness of policy-making, the increasing urbanisation of the coastal strip and the competitiveness of Bulgaria's North Black Sea coast tourism offer. An analytical framework was developed based on the research findings to explain the specific development path(s) of the destination studied. It took into account the political (*politicising*), psychological (*mentalities*), institutional dimensions of transition (*property rights, social networks and local empowerment*), the role of the state (*reduced state intervention*) and the individual (*human capital*). Some of these themes (*politicising* and *mentalities* in particular) have been largely absent from previous research on tourism in transition and from the wider tourism studies.

LIST OF CONTENTS

Copyright statement	2
Abstract	3
List of Contents	5
List of Tables	18
List of Figures	19
Acknowledgements	22
Chapter 1: INTRODUCTION	24
1.1. Background of the research	24
1.2. Overview of the destination studied	24
1.3. Aims and objectives of the research	30
1.4. How these objectives were achieved	32
1.5. Organisation of the thesis	32
CHAPTER 2: LITERATURE REVIEW	36
2.1. Introduction	36
2.2. The phenomenon of CEE transition	38
2.2.1 Background	38
2.2.2 Defining transition	38
2.2.3 What constitutes <i>transition</i> ?	39

2.2.4	Transition theories and their application in tourism studies	.....41
2.2.4.1	Modernist Transitology	.....42
2.2.4.2	Historicist approaches	.....42
	• <i>Path-dependence path-creation</i>	.....43
	• <i>Neo-classical sociology</i>	.....44
	• <i>Embeddedness and the structurationist perspective</i>	.....45
2.2.4.3	Modernity	.....45
2.2.4.4	Conceptual models of tourism in transition	.....46
2.3	Tourism Development and Sustainability	.....48
2.3.1	The concept of sustainable development.....	48
2.3.2	Sustainable tourism, sustainable tourism development or tourism development and sustainability	.....49
2.3.3	Approaches to the study of sustainable tourism and sustainable tourism development	.....51
2.3.3.1	Jafari’s platforms model	.....52
2.3.3.2	Clarke’s framework of approaches to sustainable tourism	.....53
2.3.3.3	The adaptive paradigm	.....54
2.3.3.4	Tourism development: analytical models	.....54
2.3.3.5	Tourism development: descriptive models	.....55
2.3.4	Sustainability – principles and research on traditional coastal tourist destinations	.....57

2.3.4.1	Planning in the framework of sustainability	.....57
2.3.4.2	Principles of sustainability in the policies and practices	.....59
2.3.5	Sustainability, transition and tourism	.....63
2.3.5.1	The relationship between the socialist legacy and sustainability	.....63
2.3.5.2	Sustainability and transition	.....63
2.4	Conclusion	.....66
CHAPTER 3: METHODOLOGY		.....69
3.1	Introduction	.....69
3.2	Case study as a research strategy	.....71
3.2.1	The fundamentals of a case study	.....71
3.2.2	The temporal extent of the case study	.....72
3.2.3	The conceptual nature of the case study	.....73
3.2.4	Physical boundaries of the case study	.....78
3.2.5	Social size of the case study	.....82
3.3	Adopting a qualitative approach	.....83
3.4	Research methods	.....84
3.4.1	Document analysis	.....84
3.4.1.1	Rationale	.....84
3.4.1.2	Documentary sources	.....85
3.4.1.3	Content analysis	.....86

3.4.2	Semi-structured in-depth interviews	.....87
3.4.2.1	Rationale	.....87
3.4.2.2	Sampling strategy	.....88
3.4.2.3	The interview process	.....92
	• <i>Piloting</i>	.....92
	• <i>Actual interviews</i>	.....92
	• <i>Informal conversations</i>	.....93
	• <i>Direct observation</i>	.....93
3.4.2.4	The interview guide	.....94
3.4.2.5	Data analysis	.....96
3.5	Conclusion	.....97
CHAPTER 4: OVERVIEW OF TOURISM DEVELOPMENT ON BULGARIA'S NORTH BLACK SEA COAST		..... 98
4.1	Introduction	.....98
4.2	The meaning of tourism development	.....100
4.3	Sustainability and sustainable tourism development	.....102
4.3.1	Background	.....102
4.3.2	Perceived characteristics of sustainable tourism development	.....106
4.3.3	Perceptions of the reality: How sustainable is Bulgarian coastal tourism and who needs sustainability?	.....109
4.4	Transition and tourism development	.....112

4.4.1	The Legacy: before 1989	112
4.4.2	Transition – Period 1 (1989-2001) - the period of state ownership	114
4.4.2.1	Restructuring and privatisation in the 1990s	115
4.4.2.2	Legislation framework in the 1990s	115
4.4.2.3	Political changes in the 1990s	116
4.4.2.4	Transformation of the economic system in the 1990s	117
4.4.3	Transition – Period 2 (2002-2009) - after the privatisation	118
4.4.3.1	Background	118
4.4.3.2	Political stability	118
4.4.3.3	Economic stability	118
4.4.3.4	External factors	119
4.4.3.5	Tourism development - policies and practices	120
	• <i>Policies for product diversification</i>	120
	• <i>Policies for enhancing product quality</i>	121
	• <i>Policies for environmental upgrading</i>	122
	• <i>Policies for portfolio diversification</i>	123
4.5	Impacts of tourism development	124
4.5.1	Background	124
4.5.2	Economic impacts	125
4.5.3	Environmental impacts	126
4.5.4	Socio-cultural impacts	128

4.6	Conclusion	130
CHAPTER 5: TOURISM DEVELOPMENT AND THE POLITICAL, ECONOMIC AND SOCIO-CULTURAL TRANSFORMATIONS		131
5.1	Introduction	131
5.2	‘Politicising’ of the transformation and tourism development	133
5.2.1	Background	133
5.2.2	Political influence	135
5.2.3	Rent-seeking bureaucracy and cronyism	137
5.2.4	Political culture	142
5.2.5	Illegal capital	143
5.3	Property rights	145
5.3.1	Background	145
5.3.2	Principles of the transformation of property rights	146
5.3.3	Privatisation models	147
	• <i>Privatisation of the resort company as a whole unit</i>	148
	• <i>Hotel-by-hotel privatisation model</i>	150
5.3.4	Transitional forms	152
	• <i>Long term leases</i>	152
	• <i>Mixed ownership</i>	153
	• <i>Public-Private Partnerships (PPPs)</i>	153
	• <i>Land swaps</i>	154
5.3.5	Restitution	154

5.4	State involvement in tourism development	155
5.4.1	Background	155
5.4.2	Lack of vision and policy for tourism development	156
5.4.3	Economic priorities	157
5.4.4	Planning	158
5.4.5	Enforcement of regulation	159
5.4.6	Policy integration	160
5.4.7	EU accession	161
5.5	Human capital	161
5.5.1	Background	161
5.5.2	Capacity: administrative and expert aspects	162
5.5.3	The role of the individual	164
5.6	‘Old’ and ‘New’ mentalities	165
5.6.1	Background	165
5.6.2	‘Old’ mentalities	166
5.6.2.1	Mistrust of the institutions of civil society	166
5.6.2.2	The same decision-makers before and after 1989	169
5.6.3	‘New’ (transition) mentalities	169
5.6.3.1	‘Scavenger’ mentalities	169
5.6.3.2	Lack of compliance with legal norms	171

5.6.3.3	Ownership culture	172
5.6.3.4	External determinants of the ‘new’ mentalities	174
5.7	Social networks	174
5.7.1	Background	174
5.7.2	Pre-transition (1989) trade networks	175
5.7.3	Personal social networks	176
5.8	Local community empowerment	178
5.8.1	Background	178
5.8.2	Politics of local empowerment: decentralisation of decision-making	178
	• <i>Local (municipal) administrations</i>	179
	• <i>Other local stakeholder groups</i>	181
5.8.3	Stakeholders’ cooperation	182
	• <i>The public sector participants’ perspective</i>	183
	• <i>The business sector participants’ perspectives</i>	184
	• <i>NGO participants’ perspective</i>	185
5.9	Conclusion	186
	CHAPTER 6: DISCUSSION	188
6.1	Introduction	188
6.2	Discussion of the methodology	189
6.2.1	Revised conceptual framework	189
6.2.2	Evaluation of the research strategy and design	192

6.2.2.1	Components for research designs for case studies	193
6.2.2.2	The case study	195
6.2.3	Research methodology	196
6.2.3.1	Documentary evidence	197
6.2.3.2	Semi-structured in-depth interviews	198
6.2.3.2.1	The process of selecting the interviewees	198
	<ul style="list-style-type: none"> • <i>The selection approach: top-down or bottom-up</i> • <i>Establishing contact and communication with the informants</i> • <i>Time-span of the research</i> 	199 200 200
6.2.3.2.2	The interview process	201
6.2.4	Data analysis	203
6.2.4.1	Stage 1: Familiarisation	203
6.2.4.2	Stage 2: Identifying a thematic framework	204
	<ul style="list-style-type: none"> • <i>Looking for repetitions</i> • <i>Looking for the missing data</i> • <i>Looking for similarities and differences</i> • <i>Looking for theory-related material</i> 	205 206 206 207
6.2.4.3	Stage 3: Indexing	207
6.2.4.4	Stages 4 & 5: Charting, mapping and interpretation	208
6.2.5	Credibility of the research	208
6.2.5.1	Triangulation	208

6.2.5.2	External validity	.....	209
6.2.5.3	Internal validity	.....	209
6.2.5.4	Reliability	.....	210
6.2.6	Ethical considerations of the research	.....	211
6.2.6.1	Informed consent	.....	211
6.2.6.2	Anonymity and confidentiality	.....	212
6.2.6.3	Harm	.....	212
6.2.7	Limitations of the research	.....	213
6.3	Discussion of the findings	.....	215
6.3.1	The findings of the research inquiry at a glance	.....	215
6.3.2	Tourism development on Bulgaria’s Black Sea coast	.....	218
6.3.2.1	Tourism development and sustainability	.....	218
6.3.2.2	Tourism development: the <i>path-dependent path-creative</i> perspective	.....	220
6.3.2.2.1	The legacy of the socialist period	.....	220
6.3.2.2.2	Period 1 (1989-2002): Restructuring and Privatisation (the core of transition)	.....	222
6.3.2.2.3	Period 2 (2002-2009) After the privatisation	.....	223
6.3.2.3	Impacts of tourism development	.....	225
6.3.3	Tourism development and the political, economic, and socio-cultural transformations	.....	227

6.3.3.1	'Politicising' the transformation and development of tourism	228
6.3.3.2	Property rights	231
6.3.3.3	State involvement in tourism development	234
6.3.3.4	Human capital	236
6.3.3.5	Mentalities	238
6.3.3.6	Social networks	240
6.3.3.7	Local community empowerment	242
6.4	Conclusion	244
CHAPTER 7: EVALUATION AND CONCLUSION		246
7.1	Introduction	246
7.2	Revisiting the aims and objectives of the research	248
7.2.1	Research objective one	249
7.2.2	Research objective two	252
7.2.3	Research objective three	255
7.2.4	Research objective four	256
7.2.5	Research objective five	257
7.3	Contribution	258
7.3.1	Contribution to theory	258
7.3.1.1	Developing an analytical framework	258
7.3.1.2	Contribution to research on an understudied context	262

7.3.2	Contribution to methodology	.....	263
7.4	Recommendations for further research	.....	263
7.5	Conclusion	.....	266
REFERENCE LIST			.....267
APPENDICES			.....287
Chapter 1: Overview of the destination studied			
Appendix 1	Arrivals of foreign citizens in Bulgaria by purpose of visit, 1990-2009	.....	1
Appendix 2	Profiles of selected leading tourist companies in the destination studied: Albena AD	.....	2
Appendix 3	Corporate and social responsibility of private business – the case of Albena AD	.....	7
Appendix 4	Profiles of selected leading tourist companies in the destination studied – Golden Sands AD	.....	10
Appendix 5	BlackSeaRama Golf & Villas	.....	14
Appendix 6	Lighthouse Golf and resort	.....	16
Appendix 7	‘First Alley’ Investment project for development of Varna city coastal Area	.....	17
Chapter 2: Literature review			
Appendix 8	Typical stabilisation package in a transition economy	.....	18
Appendix 9	The evolution of the concept of sustainable development: key stages and associated international milestones	.....	19
Chapter 3: Methodology			
Appendix 10	Public sector policy and planning framework, 1989-2009	.....	22

Appendix 11	Business sector policy and planning framework, 1989-2009	.....34
Appendix 12	The sampling frame	.....39
Appendix 13	Interview guide	.....42
Appendix 14	Stage 4 of the <i>Framework</i> method for organising and analysing qualitative data: Charting	.....44
Appendix 15	Example of Stage 4 of the <i>Framework</i> analysis - Charting: Chart 3(B)	..... 45
Appendix 16	Example of Stage 5 of the <i>Framework</i> method for organising and analysing qualitative data – Mapping	.....60
General		
Appendix 17	International tourism balance of payments – Bulgaria, 2000-2009	.....62
Appendix 18	Examples of selected regulatory acts, 1989-2009, and amendments made	.....63
Appendix 19	Integrated Coastal Zone Management (ICZM) in Bulgaria in the 1990s	.....65
Appendix 20	NATURA 2000 National network of protected zones	.....69

List of Tables

	Page
Chapter 1	
Table 1 Bulgaria and the place of the Black Sea coast : Tourism indicators, 2006	26
Table 2 Bulgaria’s Black Sea coast, including the purpose-built resort complexes, 2006	27
Table 3 Bulgaria’s North Black Sea coast (Varna and Balchik municipalities): overnights and revenues from tourist tax, 2003-2008	28
Table 4 Accommodation facilities registered in Varna and Balchik municipalities, 2008	29
Chapter 2	
Table 5 Jafari platforms model at a glance	52
Table 6 Descriptive models of tourism development	56
Table 7 Requirements to achieve sustainability	60
Chapter 4	
Table 8 Top characteristics of sustainable tourism development identified by respondents from different stakeholder groups	107

List of Figures

Page

Chapter 2

Figure 1	Theoretical approaches to the study of transition in the context of the CEE countries.....	41
Figure 2	Sustainable tourism development	49
Figure 3	Clarke’s framework of approaches to sustainable tourism	53
Figure 4	Evolution of development theory – paradigms and theoretical approaches and models	55
Figure 5	The ‘black box’ of tourism planning and policy systems	59
Figure 6	Tools of sustainability	61

Chapter 3

Figure 7	Initial conceptual framework	75
Figure 8	Timeline of tourism development 1989-2009	77
Figure 9	Sustainability curve, 1989-2009: policy and planning at national and local level	78
Figure 10	The destination studied: Varna-Balchik on Bulgaria’s North Black Sea coast	79
Figure 11	General urban plan of Balchik municipality	80
Figure 12	Varna municipality – General Urban Plan: Tourism Development	81
Figure 13	Facts about Varna municipality	82
Figure 14	Stakeholders in tourism development: the highlighted groups were included in the research	83

Chapter 4

Figure 15	Periods studied	98
Figure 16	Structure of Chapter 4	99
Figure 17	Foci of general and tourism-specific public policies with regard to sustainability and sustainable development, 1989-2009	106

Chapter 5

Figure 18	Structure of Chapter 5	132
Figure 19	Periods studied and the legacy impact(s)	133
Figure 20	Levels of development of the purpose-built resorts in relation to the privatisation model	151

Chapter 6

Figure 21	The research approach	188
Figure 22	Conceptual framework – theoretical foundation	189
Figure 23	Factors determining the implementing of the principles of sustainability	191
Figure 24	Tourism development on Bulgaria’s Black Sea coast: periods, themes, policies	215

Chapter 7

Figure 25	Literature review	249
Figure 26	Overall sustainability of Bulgaria’s North Black Sea coast – a snapshot	254

Appendices

Figure 1	Corporate structure of Albena Group	3
Figure 2	Albena Group Subsidiaries	4
Figure 3	Corporate strategy of Albena AD - Albena resort	5
Figure 4	Golden Sands Group Corporate structure	11

Acknowledgements

I would like to thank Bournemouth University for awarding me the studentship, which made this research possible. I also wish to thank Dr. Jonathan Edwards and Professor Roger Vaughan for supervising my doctoral research.

I want to express my gratitude to the study participants for giving up their time to share with me their personal experience and views. Their sincerity and the depth of the information they provided served as an inspiration in moments of weakness.

On a personal level, special thanks are due to Professor Brian Wheeler for his continuous emotional support and friendly advice. Professor Todor Radev encouraged me to set off into the unknown, called a 'PhD journey', and I am grateful for his support during my fieldtrips.

Finally, I would like to thank my husband and my daughters - Bozhidar, Reny and Lora - for supporting me through the unexpected challenges this doctoral research placed before me, thus smashing the jigsaw of our lives and forcing us to rearrange the pieces.

[T]he only real journey, [...], would be to travel not towards new landscapes, but with new eyes, to see the universe through the eyes of another, of a hundred others, to see the hundred universes that each of them can be, or can see.

Marcel Proust (*In Search of Lost Time* 2002, p.237)

CHAPTER 1: INTRODUCTION

1.1 Background of the research

The development debate generally neglects tourism despite its widely recognised economic and social significance (Pearce 1989). While development theory has evolved over the past decades its linkage with tourism development has remained limited (Holden 2006). In terms of numbers of published papers tourism research has ranked knowledge of ‘development and impacts’ second only to that of ‘methodology and theoretical constructs’ (Xiao and Smith 2006), nevertheless little attention has been paid to the development and planning of coastal mass tourism destinations (Bramwell 2004a). Even less consideration has been given to the tourism transformation and development of coastal destinations in the transition economies of Central and Eastern Europe (CEE). This doctoral research contributes to the body of knowledge by undertaking an investigation into the way(s) in which a selected coastal tourism destination has developed over a period of political and socio-economic transition (1989-2009) and by studying the forces that determined the specific pathway(s), thus providing a broader context for understanding tourism development.

The case of Bulgaria’s Black Sea coast was prompted by the researcher’s origin. It presented an appropriate case study as a typical, and yet revelatory, coastal destination, that allowed the study of the whole spectrum of developmental processes in the period of transition, including the evolution of the surviving forms of institutions and the emergence of new ones, changes in values, policy approaches and priorities. This research was placed within the broad frame of sustainable development in coastal areas, examining the issues of impacts, policies and planning.

1.2 Overview of the destination studied

It is not the purpose of this section to provide a complete overview, but rather the purpose is to focus on the place of the destination studied within the national economy and draw attention to its specific features. Official information on the destination was sparse, inconsistent and often conflicting. In addition, only in 2004 were the resort complexes included in the official statistics as

separate units. For this reason the research participants were asked to describe the tourism development over the period studied (1989-2009). Their accounts are presented in the findings chapter in order to provide a complete overview of *what happened* and *why it happened*.

Bulgaria's North Black Sea coast was developed as an internationally popular 'sea and sun' package destination between the 1950s and 1970s. Until the end of the 1990s the tourism superstructure and infrastructure were concentrated in the resort complexes of St. Constantine (formerly Druzhba), Golden Sands (Zlatni Piasatsi) and Albena. These resorts exemplified the 'integrated resort development model' of Bulgaria's tourism in the socialist decades. They served purely tourist functions and had no local population. The residential places of Varna and Balchik were categorised as resorts. However, until end of 1990s they had more administrative and distributive rather than tourist functions. Both Varna and Balchik have long had large villa zones, which have had recreational functions and sought to enhance the self-sufficiency of the local population before as well as after the transition.

During the period of transition, all these different establishments (resorts, residential places and villa zones) followed different patterns of development. However, a general overview showed the following pattern:

- the tourism functions of Varna and Balchik increased along with the increase in high-quality hotel facilities in the 2000s;
- Albena and St. Constantine resorts preserved their pre-1989 bed capacity while upgrading the existing hotels and infrastructure; the third resort, Golden Sands, registered a massive quality upgrade, doubling of its hotels facilities and reaching a saturation point; as a result all further development within its boundaries was banned;
- ribbon-type development took place in the villa zones along the coast, leading to urbanisation of most areas; and finally,
- two new major tourism developments appeared on the tourist destination map in the destination studied – the golf resorts of BlackSeaRama and The Light House.

While the 1990s can be seen as a period of de-development, since 2000 a construction boom has taken place resulting in an almost three fold increase in accommodation facilities along with quality upgrading on Bulgaria's Black Sea coast. In the territory of the destination studied 26% of Bulgaria's accommodation facilities and 35% of its bed capacity are concentrated which generates 26% of all tourist overnights and 33% of Bulgaria's tourist revenue (see Table 1). Table 1 below illustrates the importance of the destination studied (highlighted in grey) for the national economy, while Table 2 looks closely at the Black Sea coast and draws attention to the significant role of the purpose built resorts.

Table 1. Bulgaria and the place of the Black Sea coast : Tourism indicators, 2006					
	Bulgaria	Black Sea coast			
		Bulgaria's North Black Sea coast (Varna and Dobrich districts)		Bulgaria's South Black Sea coast (Bourgas district)	
			%		%
Bed capacity	252,305	88,018	35%	94,671	38%
Accommodation establishments	2,887	743	26%	1016	35%
Tourist arrivals	4,286,442	1,024,423	24%	823,647	19%
Tourist overnight stays	17,427,519	6,278,838	36%	6,053,394	35%
Revenue from tourist overnight stays (in '000 Bulgaria leva)	578,845	191,994	33%	183,936	32%
<i>Source: Author's estimations based on [Bulgarian] National Statistical Institute (2006)</i>					

Table 2 shows that the purpose-built resort complexes developed before 1989 continued to determine the tourism development in the transition period in terms of the concentration of accommodation supply, tourist arrivals and revenues generated. This is particularly true for the resorts on the North Black Sea coast which is the focus of this research.

Table 2. Bulgaria's Black Sea coast, including the purpose-built resort complexes, 2006							
	Black Sea coast*	Resort complexes **	% of all Black Sea coast	North coast resorts***	% of all resorts	South coast resorts ****	% of all resorts
Bed capacity	182,689	120,497	66%	65,360	54%	55,137	46%
Accommodation establishments *****	1,759	354	20%	217	61%	137	39%
Hotel establishments	672	335	50%	199	59%	136	41%
Bed capacity in hotels only	155,779	117,292	75%	63,209	54%	54,083	46%
Tourist arrivals	1,848,074	1,251,576	68%	733,968	59%	517,608	41%
Overnight stays (total)	12,333,332	9,437,191	77%	5,192,958	55%	4,244,233	45%
International tourist overnight stays	10,126,999	8,850,790	87%	4,568,630	52%	4,057,790	48%
Total revenue from tourist overnights (in '000 Bulgaria Leva)	375,930	298,946	80%	163,791	55%	135,155	45%
Revenue from international tourist overnights (in '000 Bulgaria Leva)	324,691	273,149	84%	147,578	54%	125,571	46%
* Black Sea coast area: Varna, Bourgas and Dobrich districts **Resort complexes: Albena, Golden Sands, St. Constantine, Elenite, Sunny Beach, Dyuni, International Youth Centre Primorsko, of which: *** Resorts on the territory of Varna and Dobrich districts: Albena, Golden sands, St. Constantine **** Resorts on the territory of Bourgas district: Sunny Beach, Diuni, Elenite and IYC Primorsko ***** Incl. hotels, camping sites, chalets and private accommodation							
<i>Source: Author' estimations, based on [Bulgarian] National Statistical Institute (NSI), 2006</i>							

Over the last two decades the North Black Sea coast has witnessed successive periods of stagnation and decline in the 1990s followed by rejuvenation in the 2000s (see also Appendix 1). However, there was a concern among the research participants that the rejuvenation stage has been very brief and, after 2005, the destination has entered stagnation again. Recent local authority analyses (see *Programme for Sustainable Tourism Development in Varna Region, 2007-2013*) acknowledged that mass coastal tourism, which traditionally generated the bulk of the revenue, was in a state of

stagnation, while spa and conference tourism were in the development stage of their product life cycle. The destination is characterised by ribbon-type development in the south part (Varna municipality) which has been traditionally dominated by the resort complexes and villa zones, and the development of golf resorts in the previously less developed north coast (Balchik municipality). The tourism indicators for Varna municipality showed that the steady increase in tourist overnight stays at the beginning of the 2000s was followed by stagnation after 2006, while in the Balchik municipality overnight stays declined (see Table 3) despite the increase in the number of accommodation establishments.

Table 3. The destination studied: Bulgaria's North Black Sea coast (Varna and Balchik municipalities): overnights and revenues from tourist tax, 2003-2008						
	Varna municipality			Balchik Municipality		
	Overnight stays	Tourist tax (BGN)	Average tourist tax per bed night (BGN)	Overnight stays	Tourist tax (BGN)	Average tourist tax per bed night (BGN)
2003	-	-	-	1,694,843	866,736.51	0.51
2004	3,631,999	1,598,003	0.44	1,603,734	648,154.25	0.41
2005	4,538,688	2,551,371	0.56	1,438,969	450,801.88	0.31
2006	4,688,546	2,461,382	0.53	1,296,532	374,530.25	0.29
2007	4,601,221	2,469,603	0.54	1,224,872	376,636.13	0.30
2008	4,598,903	2,525,434	0.55	1,179,371	479,924.47	0.40

Source: Author's estimations based on data provided by Varna Municipality and Balchik Municipality

The construction boom in the 2000s did not alter the spatial concentration of tourism development inherited from the pre-1989 decades. The resort complexes continued to play a significant role in the local economy (see Table 4). In 2007 St. Constantine and Golden Sands resorts provided 50% of the accommodation facilities and accounted for 86% of all overnight stays and 86% of tourist revenues in Varna municipality (NSI 2007). The largest concentration of accommodation units was evident in the Golden Sands resort – 99 out of 297 hotels for the whole municipality. Due to the quality upgrading in both resorts after the privatisation 95% of all 4 star hotels, 60% of all 5 star and 59% of 3 star hotels were concentrated in Golden Sands and St. Constantine. It should be noted that while in 2008 the accommodation supply was represented by 2- and 3- star facilities (respectively

34% and 32%), the bulk of the revenues were generated by the 4 star (34%) and 3 star (35%) hotels (see Table 4).

Table 4. Accommodation facilities registered in Varna and Balchik municipalities, 2008				
Varna Municipality – 2008 (South part of the destination studied)				
Established resorts, integrated and purpose-built: St. Constantine and Golden Sands				
Information for 2008 not complete. In 2007, both resorts accounted for 86% of all overnights and 86% of revenues in Varna municipality (NSI 2007)				
Category of accommodation facility	Number of facilities	% of total accommodation for Varna municipality	% of overnights for Varna Municipality	Number of accommodation units in established resorts
Total	297			152 (50%)
1 star	58	20%	5.5%	19 (33%)
2 stars	102	34%	13%	45 (44%)
3 stars	95	32%	35%	56 (59%)
4 stars	36	12%	34%	34 (95%)
5 stars	5	2%	12.5%	3 (60%)
Balchik Municipality – 2008 (North part of the destination studied)				
Established resorts , integrated and purpose-built: Albena resort – 12% of all accommodation facilities, 65% of all tourist overnights and 65% of all tourist tax generated in Balchik Municipality				
Category of accommodation facility	Number of facilities	% of total accommodation for Balchik municipality	% of overnights for Balchik Municipality	Number of accommodation units in established resorts
Total	308 In Balchik Municipality			37 in Albena resort
1 star	114	37%	n/a	-
2 stars	131	43%	n/a	10 (8%)
3 stars	51	17%	n/a	17 (33%)

4 stars	11	3.6%	n/a	9 (82%)
5 stars	1	0.4%	n/a	1 (100%)

Source: Author's estimations based on data provided by Varna Municipality and Balchik Municipality for 2008 and the National Statistical Institute (NSI), 2007.

Table 4 shows that while the Albena resort operated only 12% of all accommodation facilities in Balchik municipality it generated 65% of all tourist overnight stays and 65% of all tourist tax revenues in 2007. The number of 1- and 2-star properties strikingly dominated the accommodation facilities structure, suggesting that quality upgrading in Balchik municipality had still not been achieved.

The total number of tourist service enterprises in the destination studied (Varna-Balchik) was estimated at more than 500, with only 9% of them owned by foreign companies (Rakadjijiska, 2007). The tourist industry was largely fragmented and dominated by a few joint stock companies (JSCo., termed AD in the native language): Albena AD, Golden Sands AD, St. Constantine Holding AD (Mintel 2007). An important feature of the local tourism industry was its concentration: in general, the largest players owned and operated all facilities in a resort complex, along with the supporting infrastructure (relevant excerpts of company profiles are provided in the Appendices section – see Appendices 2,3,4,5,6 and 7). In addition, they had the concession on the adjacent beach strip.

1.3 Aims and objectives of the research

The literature review led to the formulation of the following research questions:

Whether, and in what ways, the nature of the socio-economic and political transition has determined tourism development on Bulgaria's Black Sea coast?

and

Whether the tourism stakeholders incorporated and implemented the principles of sustainability in the transformation and operation of the tourism sector, and the associated questions of why, why not, and how?

In order to answer the research question(s), the research set, as an overall aim, *to document, analyse and evaluate the influence of the socio-economic and political transition on the development of tourism through a critical analysis of a tourism destination on Bulgaria's Black Sea coast.*

The specific objectives that had to be met were:

1. To develop an initial conceptual framework for guiding the study of the processes occurring within a transition economy and their relationship to the development of tourism on a coastal mass tourism destination;
2. To provide an overview of the development of Bulgaria's coastal tourism to demonstrate the specific characteristics of the development during the transition period (1989 – 2009);
3. To investigate, analyse and evaluate relevant governmental, non-governmental and commercial organisations' policies, actions and underlying attitudes in the period of transition in relation to the development and operation of the coastal tourism destination of Varna-Balchik on Bulgaria's Northern Black Sea coast and the businesses within it;
4. To determine the degree to which the principles of sustainability were adopted and implemented in the policies and practices of the stakeholders involved in the development of Varna-Balchik as a tourism destination and the reasons for those actions or lack of actions;
5. To refine, on the basis of the findings of the research, the initial conceptual framework in order to propose a theoretical framework relating the effects of political and socio-economic transition on the development path of tourism and the adoption and implementation of the principles of sustainable development.

1.4 How these objectives were achieved

The research employed a case study strategy to examine and analyse the development processes that took place in the Varna-Balchik destination on Bulgaria's North Black Sea between 1989 and 2009. Debate on sustainable tourism development usually attempts to turn sustainability into a measurable paradigm and employs of a system of indicators to analyse and assess policies and actions of stakeholders. This research chose to approach the issue from the perspective of the participants' discourse. It studied the awareness and perceptions of decision-makers of the principles of sustainability, their incorporation in the policy framework and their implementation in practice.

Research data was collected using a multi-method research approach with a combination of secondary data (public and private sector strategies, programmes, action plans, legislation acts, research commissioned by different levels and organisations, newspaper clippings, photographs, archives) and primary data gathered using qualitative research techniques including a series of stakeholder interviews. This study involved 38 semi-structured in-depth interviews with 24 research participants, 20 informal conversations with 'gatekeepers' and a large number of conversations with local people. The in-depth interviews were conducted with decision-makers from the stakeholders' groups, at a local, regional and national level, who were involved in tourism development at some time over the period studied (1989-2009). The primary data collected was analysed using a *Framework* thematic analysis based on the path-dependent and path-creative approach to the analysis of the nature of transformation and the conceptualisation of the forces that impact on tourism development. The research was based upon development theory and political economy approach. A multidisciplinary and holistic approach was adopted to contextualise the study within the wider arena of politics and power, and draw attention to sensitive issues, such as 'political influence' and persisting 'old' mentalities (among others) that are largely ignored by tourism researchers.

1.5 Organisation of this thesis

The aim of the next chapter - **Chapter 2**, is to provide a critical review of the literature in the research area of tourism development in a transition economy with a specific focus on

sustainability. It aims to set the background of the research, acknowledge previous work done, identify the theories employed and eventually identify gaps in the literature which were addressed by the research questions. First, the chapter focuses on the *transition* phenomenon. It defines *transition* for the purpose of this research and looks at the generic theories, concepts and models used to explain what happened and why it happened in Central and Eastern European countries after 1989. Then, the chapter deals with the debate on sustainable tourism development and discusses the conceptualisations and discourses within sustainable tourism, as well as the established models employed to analyse tourism development. The last section of the chapter critically evaluates previous work done on transition in relation to tourism and sustainability; reviews the frameworks used to study the ways in which the nature of the transition has influenced the pattern of tourism development and assess the progress of some countries towards implementing the principles of sustainability.

Chapter 3 addresses the methodology of this research. It explains in what ways the methodology employed contributed to achieving the research aim and objectives, what were its limitations and what efforts were made to minimise them. This chapter discusses the case study research strategy and qualitative approach adopted to study the tourism development of a coastal tourism destination in the context of political and socio-economic transition.

Chapters 4 and 5 present the results of the research data analysis, starting with ‘*what happened?*’ (Chapter 4) and then moving on to ‘*why it happened?*’ (Chapter 5). The aim of **Chapter 4** is to set the context for the research through the eyes of the study participants and the available documentary evidence. The chapter starts by discussing the perceptions of tourism development and sustainability in the destination. Then it analyses the transformation of tourism over the period studied, breaking it into two sub-periods and introducing the preceding, socialist period in order to illustrate the institutional legacies which were reworked by the social forces in transition. It looks into the policies and practices of tourism development and the specific outcomes in the destination studied. **Chapter 5** deals with the social forces that shaped the trajectory of tourism development. It aims to answer the question *how and why this happened* and focuses on the political, economic and socio-cultural aspects of the transition to a political democracy and market economy. It deals consecutively with the interrelated themes that emerged from the data analysis, starting with the

influence of *'politicising'* on the transformation and development of tourism. It should be noted from the very beginning that while in the English language 'politicise' means "to cause (an activity or event) to become political in character" (Oxford Dictionaries Online), in this research 'politicising' was adopted as the 'best' term to convey the meaning of the Bulgarian word used by the study participants. It referred to a range of personal actions by individuals who were perceived to be using their political positions, and the associated networks, for personal gain rather than for party causes. Such practices were seen by the interviewees as more widespread and well developed than in other countries, and therefore, viewed as corrupt and illegal in Bulgaria. The theme of the *politicising* of tourism development and operation was revealed through its manifestations (sub-themes) ranging from the *political influence*, going through the related *rent-seeking policies* of the public administration and the inadequate *political culture* to what was seen as *transfer of illegal capital* under the protection of the politicians. Then **Chapter 5** focuses on the change of *property rights* (principles and models of ownership transformation), followed by *the role of the state* in tourism development, *human capital* ('*capacity*' and '*the individual*'), *mentalities* which had influenced the decision-making process, and the role of the *social networks* in the survival strategies and practices. The last section of this chapter introduces the theme of *local community empowerment*, which is linked to the democratisation of decision-making in the country and is also considered a sign of the actual advances towards implementing the principles of sustainability. These themes emerged as interconnected in the same way as the phenomenon of the transition cannot be understood properly without looking in-depth at its different aspects.

Chapter 6 has two sections. The first section discusses the methodology and its application in this research. It demonstrates how the *a priori* conceptual framework evolved and in what ways it changed in the research process to accommodate the research findings. It evaluates the research strategy and the methods, moving on to the limitations of the research and how these were (or were not) addressed with a special emphasis on the relation between the researcher and the researched topic. The transformation of tourism in the destination studied are depicted in more detail in the second section of the chapter and the research findings are related to the theory and previous research.

Chapter 7 critically evaluates the research undertaken in an attempt to demonstrate its rigour and the doctoral-worthiness. First, it revisits the research objectives to explain how these were achieved.

Then it discusses the original contribution this research makes to the theory and methodology. Finally, it makes recommendations for further research.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

The purpose of this chapter is to provide a critical review of the literature in the research area of tourism development in a transition economy with a specific focus on sustainability. It aims to set the background of the research, acknowledge previous work done and identify the theories employed and the gaps in the literature which were addressed by the research questions.

This research was initiated by an interest in the tourism development of coastal areas in Central and East Europe (CEE) transition states that have demonstrated commitment to implementing sustainability in spite of the warnings that sustainability does not fit well into the rapidly changing transition context (Hall 2004). The choice of the specific case fell on Bulgaria because of the researcher's origin. The country is a traditional 'sun and sea' tourism destination which actively supported the UN Conferences on Sustainable Development (Rio de Janeiro, 1992), Fighting Poverty (Copenhagen, 1994), Women in Development (Beijing, 1995) and Human Settlements (Istanbul, 1996). Bulgaria's *Capacity 21* Programme (1997-2001) promoted and tested models for sustainable development at the community level working towards a national Agenda 21. Since the mid-1990, the environmental and regional development and planning policies in Bulgaria have been gradually revised to accommodate the relevant EC Directives. At a national and local level tourism has been seen as an important tool through which to introduce the principles of sustainability, articulated through the National Ecotourism Strategy (2004), National Strategy for Tourism Development (2006-2008), and the National Strategy for Sustainable Tourism Development (2008-2013). Strategic documents acknowledge that although a lot of work was done, in general the policies were not effectively translated into practice.

Such a broad starting point necessitated an extensive literature review on what was known about 'what happened in the coastal destinations of the CEE states, and particularly on Bulgaria's Black Sea coast, during the socio-economic and political transition and why it happened'. The scope broadened to include previous research on tourism development and sustainability in coastal areas, first focusing on the CEE states and later, on the European (mostly Mediterranean) experience. In

addition, the literature review investigated the inter-related subject areas of development and impacts on the one hand and transition on the other, thus aiming at a deeper understanding of the major theories and concepts that would guide the present research.

The literature review is presented in two separate sections.

Section 1 focuses on the CEE *transition* phenomenon. It defines *transition* for the purpose of this research and reviews the generic theories, concepts and models used in the field.

Section 2 deals with the debate on sustainable tourism development and discusses the conceptualisations and discourses within sustainable tourism, as well as the established models employed to analyse tourism development. Definitions and interpretations of sustainable tourism and sustainable tourism development are provided in order to clarify the key terminology which will be used throughout the PhD thesis. This section critically evaluates previous work done on transition in relation to tourism and sustainability; reviews the frameworks used to study the ways in which the nature of the transition has influenced the pattern of tourism development and assesses the progress of some countries towards implementing the principles of sustainability.

Finally, it is important to note that as there is a vast amount of research, which is relevant to tourism in transition in the CEE states, the literature review chapter does not aim to provide a detailed overview - this has been already done by Hall in his review papers in 1998 and more recently in 2008. This chapter is concerned with the theoretical and conceptual issues related to the transition studies, as well as with case specific research. For this reason, the chapter is framed closely around the main research questions. The scope of literature referenced will be broadened in the Discussion chapter where, in order to relate the research findings to previous research, this study will look beyond the theoretical boundaries set at the outset and will draw on political economy and social psychology studies.

2.2 The phenomenon of CEE transition

2.2.1 Background

Development never takes place in a void, but is determined by the wider political, socio-economic and economic context. Understanding the nature of transition is crucial for gaining greater insight into the tourism development processes and in understanding the relationship between sustainability and transition.

Since 1989 the Central and Eastern European countries have undertaken major reforms of their economic systems, transforming institutions, attitudes, and fundamental societal concepts. It is widely recognised that the depth and duration of transition, the related social costs and political turbulence were largely underestimated (Galenson 2004, p. 40). In addition, the expectations that the rapid shift of control over resources to private hands, along with the liberalisation of prices and trade, would lead quickly to more rational resource use under a market discipline have not come true. Indeed, the transition from a centrally planned economy requires inter-related changes in attitudes and concepts along with new legislation and policies (Tomer 2002).

2.2.2 Defining *transition*

The Oxford English dictionary defines *transition* as ‘the process, or a period, of changing from one state or condition to another’ (2006, p.809). In the last two decades, however, the term *transition* has been almost exclusively associated with the “prescriptive, ideologically informed Euro-Atlantic conception of ‘transition’ as a process of restructuring formerly communist political economies with the end goal of establishing economic, political and administrative norms which conform to the requirements for successful EU accession” (Hall 2004, p.221). Blokker (2005) expanded this definition further, emphasising that the framework for transition is set by the understanding of transition ultimately as a political and cultural convergence of the ex-communist societies with Western Europe, as embodied in the Copenhagen criteria and the adoption of the *acquis communautaire* (Blokker 2005, p. 505). Nevertheless, there is a common contention (see for instance Hall 2004; Hall and Roberts 2004; Marangos 2003; Tomer 2002) that *transition* has been used to represent almost exclusively market-oriented reform, thus ignoring the social, cultural and psychological conditions of each country. This is particularly true in the research area of tourism,

where the term *transition economies* generally refers to countries that have moved, or are moving, from a state-planned to a market economy (Saarinen and Task 2008).

Due to the problematic nature of the term *transition* (Bradshaw and Stenning 2000, Hall 2004), the alternative framework concept of *transformation* emerged, as one which was more flexible and open-ended, and at the same time embraced the fundamental structural change. Hall (2000a, p.442) argued that *transformation* was more compatible with the ideals of sustainability and equality because it was less concerned with an 'end state' and implied less dogmatic approaches that respect cultures.

This research adopts the term *transition* for two reasons. First, because this is the term officially used in all public documents and academic papers as best representing the process of political and socio-economic restructuring of the former socialist states. Second, because it suggests a legitimate time-frame for this research, which is the period between 1989 when the changes started, and 2007 when the EU accession marks the formal 'ending' of the post-socialist transition phase. However it is also argued here that, although the economic and political transition may be formally over, there is still a long-way to go to achieve social and cultural convergence. Therefore in this research the transition period was extended to cover a time-span of two decades, 1989-2009. This decision was further supported by the reservations articulated by the European Commission with regard to EU enlargement due to the non-compliance of Bulgaria with the requirements of two of the EU accession clauses (EC decision 2006/929/EC of 13 Dec 2006).

2.2.3 What constitutes *transition*?

There is a general consensus that *transition* has different dimensions. According to Hall (2004) the following types are clearly distinguishable: *economic transition*, whereby the existing political model has been preserved (for instance, the 'state socialism' in China); *political and economic transition*, of non-democratic societies ineligible for EU or NATO membership (e.g. Kyrgyzstan); *transition within the capitalist societal model* (e.g. Cyprus, South Africa); and, last but not least *political, social and economic transition* which has taken place in the Central and Eastern European countries. This research was concerned with the latter and endeavoured to explore the transition in all its 'manifestations' in the political, economic and socio-cultural spheres. Such an approach was

also considered appropriate not only because of the setting of the case study, but also to better address the issues of sustainability.

There is a general consent (Eser 2000) that to understand more fully the process of transition it is necessary to consider the wider societal transition taking place in the post-socialist world, which Bradshaw and Stenning (2000) named a ‘systemic transformation’. Hall argues that “although a holistic process, the ‘transition project’ in Europe has been driven by a specific political economy agenda that has often ignored or marginalized social, cultural, psychological and wider environmental dimensions” (2008, p. 413). Thus most academic works focus on the economic transition. Whether implemented gradually (as in Hungary, Romania and Slovakia) or through the so-called *shock therapy* (e.g. in Poland and Bulgaria), the CEE economic transition involved a set of measures referred to as the ‘four pillars of transition’: *macro-economic stabilisation, privatisation and structural reform, liberalisation* (price liberalisation in particular) and *internationalisation* (opening the economy to foreign trade and inward investment) (Gros and Steinherr 1995, Bradshaw and Stenning 2000) (see also Appendix 8). In general, the stabilisation packages of all CEE countries consisted of the following measures: price liberalisation, balancing the government budget, restrictive monetary policy, incomes policy, foreign trade liberation, privatisation, reform of the banking and financial sector, tax reform, developing a social safety net, and initiating an industrial policy (Lavigne 1995). While there were similarities in the agenda, different states decided on the sequence and the speed of the chosen measures.

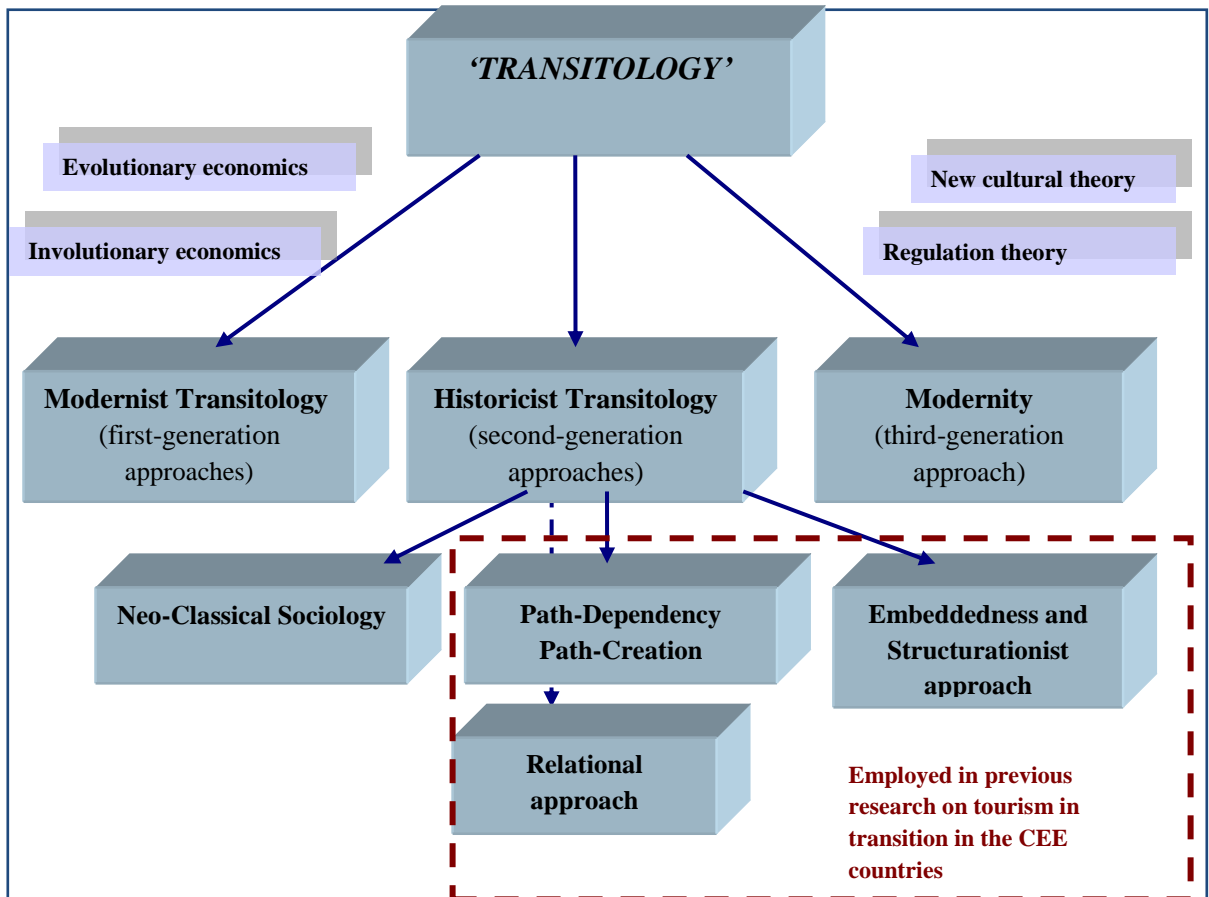
There is also an agreement in the academic literature that the major emphasis was placed on the economic transition based on the modernist assumption that “if you create the proper institutions, they will shape the individuals that occupy them so that individual behaviour will conform to institutional constraints and imperatives” (Eyal, Szelenyi and Townsley 1998, p. 8–9). However, the lack of simultaneity in all societal spheres proved problematic and supported Tomer’s (2000) contention that the socio-economic systems work best if their hard (ownership, organisational structures, financial relations) and soft elements (attitudes, values, ethical orientation, commitment) are aligned or are at least compatible.

2.2.4 Transition theories and their application in tourism studies

At the beginning of the 1990s Burawoy (1992) coined the term *transitology* to represent the variety of theoretical approaches used in the studies of the CEE transition as opposed to studies of other types of transition in different contexts. However, all these approaches shared some basic premises, namely that the democratic market society was universally applicable and the CEE transition ‘project’ required that the key Western institutions should be directly transferred into the post-socialist societies (Blokker 2005).

Figure 1 Theoretical approaches to the study of transition in the context of the CEE states.

Source: The author, based on Blokker 2005, Jaakson 1996, Williams and Baláz 2002, Riley 2000, Bramwell 2007.



Within the political economy literature, it has been recognised that none of the three dominant frameworks of political economy – modernization, world systems and rational choice, have been successful in coping with the diversity of post-socialist economic and social changes (Hall 2004, p.26). Therefore, over the last two decades, general transition studies have employed a number of theories, which, loosely fall into the three broad categories described by Blokker (2005): *Modernist, Historicist and the Modernity* category. The understanding of transition and its nature is enhanced by a number of theories, depicted in Figure1 above. The frame was derived from the general and tourism-specific studies of the CEE political and socio-economic transition and is not exhaustive. Each one of the theories is briefly discussed in the following sub-sections in order to reveal the evolution of *transitology* and explain why this research adopted *path-dependency path-creation* as the analytical framework.

2.2.4.1 *Modernist Transitology*

The *modernist* school of thought (or else *modernisation*) exemplifies the neo-liberal policies and practices that dominated much of the the debate on social change and transition in the 1990s. These are mainly concerned with the transfer of Western models and institutions, assuming universal quality to modernity and modernisation. The CEE ‘transition project’ was based on the ‘capitalism by design’ approach, which required the adoption of Western political, economic, legal and financial institutions (Blokker 2005). Citing Alexander, Blokker (2005) noted that the advocates of the ‘big bang’ (*shock therapy*) approach to transition were imposing a re-run of Rostow’s earlier ‘take-off’ theory, a theoretical strand that was generally believed to be discredited by the 1970s. Modernist approaches were criticised for their assumption of uni-linearity and universalism, and for their failure to appreciate both historical diversity and the possibility of contemporary diverging paths and interpretations of modernisation (Pickles and Smith 1998). The oversimplified view that economic transition involves the un-problematic imposition of a western-inspired blueprint for replacing central planning with a market economy has long been challenged (Williams and Baláž 2002, Smith and Pickles 1998).

2.2.4.2 *Historicist approaches*

The historicist school emerged at the end of the 1990s out of the dissatisfaction with the *modernist approaches*. In the context of the CEE transition it is represented by the seminal works of Stark (1996), Stark and Bruszt (1998), Smith and Pickles (1998) and Nielsen, Jessop and Hausner (1995)

on *path-dependency path-creation*, and Eyal, Szelenyi and Townsley (1998) on *the class structure (neo-classical sociology)*. This is regarded as a paradigm shift, in that transition studies tried to move towards interdisciplinary approaches, acknowledging that social change is directly bound up with old social relations and institutions. For this reason, it can only be understood in a historical way, in other words, by placing the focus on diversity, particularity and continuity with the past in order to explain and understand diversity in contemporary social change in Central Eastern Europe (Eyal, Szelenyi and Townsley 1998; Stark and Bruszt 1998).

- ***Path-dependence path-creation***

This approach has had a major influence in the theoretical debate over transition. It has been applied in conceptualising the economic analysis of tourism development in certain CEE countries (see for instance, Williams and Baláž 2002, Saarinen and Task 2008) and in ethnography studies (Hörschelmann and Stenning 2008). Mahoney (2000) argues that *dependency theory* has often been inappropriately viewed as the vague notion that ‘history matters’. According to Stark (1994) dependence theory has been concerned with the distinctiveness of the Eastern European experiences. In other words, the new order is not built in an ‘institutional void’, nor on top of the ‘ruins of communism’, but is rather constructed with the legacies of communism, leading to forms of institutional ‘bricolage’ which potentially create opportunities and resources for new pathways (Pickles and Smith 1998, p. 1-4; Stark and Bruszt 1998, p. 7; Grabher and Stark 1998; Blokker, 2005). Thus, the political and economic transformation is an evolutionary and path-dependent process, based on the re-working of the institutions and practices of central planning. Hence, ‘legacies’ are an important component of the understanding of both the possibilities and limits to transition. *Path-dependency and path-creation* are conceptualised as lying on a continuum (Nielsen *et.al.* 1995). While *path-dependency* implies that actors and actions are constrained by existing institutional resources, which favour some pathways over others (Stark 1994), the *path-creation* perspective asserts that ‘within specific limits, social forces can redesign the ‘board’ on which they are moving and reformulate the rules of the game [institutions]’ (Nielsen *et. al.* 1995, p.7).

In the area of tourism studies, Hall (2004) criticises the use of *path-dependence* as a conceptual framework on the basis that the analysis of the pathways cannot assume that the outcomes are determined or predictable due to the influence of social and technological changes on choices and

decisions. However, this limitation has been overcome by placing *path-dependency and path-creation* on a continuum, which has had a major influence on consequent academic research. *Path-dependency path-creation* has been acknowledged as a useful conceptual framework because of the emphasis it places on the analysis of institutional legacies and the way these are being reworked, alongside an appreciation of the divergent pathways in the transition. Scholars researching tourism in CEE transition countries (see Jaakson 1996; Williams and Baláz 2002, 2005; Hall 2000; Saarinen and Task 2008) dismiss the utility of development stage models, derived from Rostow, as a theoretical framework, based on its implicit determinism and unilinearity. They argue that a highly-organised tourism industry in the CEE existed before 1989 and is in transformation rather than evolving from a low base through distinctive stages. First Jaakson (1996) contextualised Estonian tourism by contrasting its past to the new, market-based tourism and reviewed the economic, political and social forces which influenced Estonia's tourism transformation. Williams and Baláz (2002) used *path-dependency path-creation* as an organising conceptual framework to analyse economic aspects of tourism in the former Czechoslovakia focusing on globalisation and re-internationalisation, property rights, markets and regulations, and the polarisation of consumption. They showed how institutional legacy shaped expectations and patterns of tourism through the existence, survival and adaptation of values, routinised behaviour and organisational forms for the provision of tourism services. *Path-dependency path-creation* draws on evolutionary economics and employs concepts such as 'fitness test' and 'compartmentalisation' to illustrate the need of divergent ways of development. Williams and Baláz (2002, p.38) cite Grabher and Stark in that "some developmental paths produce ineffective solutions and sub-optimal outcome is not an indication of evolutionary failure but a precondition for evolutionary selection".

- ***Neo-classical sociology***

In their seminal work Eyal, Szelenyi and Townley (1998) study the CEE transition to capitalism by focusing on the 'agent of change' and its influence on transition trajectories. They argue that post-communist capitalism is a form of 'capitalism without capitalists' as the agent of change has not been a bourgeoisie of private property owners (the economic capital), but a bourgeoisie that possessed culture or knowledge (technocrats and managers), thereby including technocratic-intellectual elites in the emergence of a new form of society (ibid., p.1). This reflects the modernist thinking that if properly created the institutions will shape the behaviour of the individuals that

occupy them. As neo-classical sociology studies showed, such a contention did not prove valid in all transition economies. Eyal, Szelenyi and Townley's (1998) research of the 'atypical class structure' in the CEE states proved valuable in illuminating and interpreting some the findings of the present research.

- ***Embeddedness and the structurationist perspective***

Embeddedness was used by Riley (2000) as an approach to analyse the changes in the tourist industry in Poland, which was seen as embedded in wider economic, political, social and cultural relationships. The approach shares a lot of commonalities with *path-dependency path-creation*, but draws its structure from the structurationist perspective. Riley's research was not concerned with the economic impact of the tourism industry; rather he studied the way in which the operation of the supply and demand sides of tourism have been determined by the components of *embeddedness* (structural, cultural, cognitive and political strands) before and after 1989.

As a microeconomic approach *embeddedness* dismisses the neo-classical rational economic model and seeks to demonstrate that while profitability is the prime goal, this is sought against a backdrop of varying degrees of structural, cognitive, cultural and political embeddedness (Taylor 1996 and Grabher 1993, in Riley 2000, Granovetter 1985). These elements are inter-related and there is an overlap between them. In other words, the nature of social contract may in part depend on cultural phenomena, which themselves may determine the characteristics of central and local legislation, while the manner in which the legislation is interpreted may be influenced by both social and cultural criteria; with cognition being the overarching concept determining every decision made within the three other subsets (Riley 2000).

2.2.4.3 Modernity

The *modernity* school introduces the perspectives of global diversity in contrast to the 'one model dominates all' perspectives of the previous two schools. It must be noted that it has had no practical applications so far and remains within theory as a third generation approach. As Blokker (2005) explains, it leaves behind the 'convergence thesis' of the transition paradigm and takes as a starting point 'diversity' instead of the idea of an 'end of social change'. The way to acknowledge the diversity in Central and Eastern Europe is seen in the recognition of the plurality of the modernizing agency, the multi-interpretability, and the sensitivity to the resulting institutional variety in society.

Blokker (2005, p. 503) further insists that the nature of transition can only be fully understood if a case-specific and historical-contextual approach is taken. This *modernity* approach to transition is concerned with acknowledging the significant differences in the emerging societal orders, placing more emphasis on a critical analysis of ‘success stories’ and on the interpretative understanding of ‘deviating’ cases.

2.2.4.4 Conceptual models of tourism in transition

There is a common consent that the body of research on tourism transformations in Central and Eastern Europe requires more theoretical and conceptual strength (Williams and Baláz 2002; Hall 2008). The one and only conceptual model of tourism transition was suggested by Hall (2004). This model has a more general aim to illustrate the process through which tourism development in any given society passes in order to reach an ‘end’ state marked by two essential components: equilibrium and dynamism. Hall (ibid.) presents the transition path of tourism development as influenced by two central multi-dimensional sets of characteristics. The first set introduces the societal context within which tourism takes place, such as the general level of economic development and dominant ideology. The second set of characteristics reflects the structural and spatial nature of the tourism industry itself - the dominant mode of tourism activity, tourism industry organizational structure, scale and spatial characteristics of tourism activity, and relationships between tourism product supply and demand. In Hall’s model the essential characteristic of the tourism transition is the transformation from structural imbalance and spatial distortion to a dynamic equilibrium. In other words, the ‘end’ state of tourism transition is marked by (1) a structural and spatial balance of mass and niche activities, products and infrastructures; and (2) a convergence of domestic and international travel modes to reach a structural and spatial balance (Hall 2004). It can be argued that the end-points of the model are far from realistic. On the contrary, this research showed in the discussion chapter that while convergence of domestic and international modes (point 2 in Hall’s model) is more easily achievable, there is still a long way to go to achieve a structural and spatial balance of mass and niche activities, products and infrastructure. What is more, this scenario is not bound to the destination studies and not even to the transition context. In addition, Hall (ibid.) notes, this model may demonstrate how tourism is sustained within the changing circumstances of any given society; however, it says little about tourism’s wider sustainability role within that society’s development processes.

This section on transition argues that despite the growing body of research, the understanding of the processes of transition change remains fragmented partly due to the lack of a theoretical framework for studying the complex processes that constitute tourism in transition. As has been stated earlier, none of the three dominant frameworks of political economy have been successful in coping with the diversity of post-socialist economic and social changes. The normative economists with their prescriptive recommendations for the transition process are complemented by the new institutional economists who place the emphasis on the institutional issue. Analysing the interdependence of political and economic development, Eser (2000) suggests that New Institutional Economics, though not a homogenous body, is nevertheless appropriate to apply to the transition processes. The *property rights* approach is typically seen as better equipped to explain the specific transformation path. The institutional economists also recognise the distinction between the internal institutions such as conventions, personal ethics, social norms and external institutions like legislation and regulations frameworks. The problem with the application of the different theories lies in their partial character, which can be dealt with by their incorporation in a comprehensive framework (Eser 2000).

This weakness of transition studies has been further magnified by the state of research in tourism studies. Farrell and Twinning-Ward (cited in Hall 2006, p.13) claim that tourism researchers have not been conceptually equipped to appreciate that ‘all natural and social systems are interdependent, nonlinear, complex adaptive systems’ which are ‘generally unpredictable, qualitative and characterised by causes giving rise to multiple outcomes’. With regard to ‘tourism in transition’ studies, clearly, some studies have considered *path-dependency* both as a single theme and as an organising framework to study the economic aspects of tourism in transition (Williams and Baláz 2002), or have applied it to a much longer period, considering transition as one of the phases of development (Saarinen and Task 2008). Other studies have looked into the wider economic, political, social and cultural relationships (Riley 2000, Bramwell 2007). All these studies give a broad idea of the tourism transformations but the theoretical approaches remain relatively undeveloped, taking into consideration only single aspects of transition, and not challenging the broader institutional and political dimensions. Understanding the nature and impact of survival networks, persisting ‘old mentalities’ and how these can be incorporated into pathway analyses are

only a few of the issues on the research agenda which can contribute to better understanding of the transformation of tourism (Hall 2008). This is what this research aimed to achieve.

2.3 Tourism development and sustainability

2.3.1 The concept of sustainable development

Having discussed tourism research on transition in Central and Eastern Europe in the previous section, the following section will focus on the issues of sustainability, before bringing together both phenomena in the last section of the chapter in an integrative (case-specific) review.

The concept of sustainability gradually entered the political discourse in CEE transition economies and, in Bulgaria in particular, in the mid 1990s. Previous research (Bachvarov 1999, Jordan 2000, Alipour and Dizdarevic 2007) confirm Hall's (2000, p.442) contention that the ideals of sustainability and equality cannot be easily accommodated within the transition phenomenon.

It is generally recognised that the evolution of the term *sustainable development* has been prompted by an increase in environmental awareness in the 1960s and 1970s, and the concerns of society about deteriorating environmental quality and quantity, and as a reaction to the focus of post-war limitless economic growth and expansion (Bramwell and Lane 1993; Hardy, Beeton and Pearson 2002; Hall 2008). It was in the report of the World Commission on Environment and Development, 'Our Common Future' (Brundtland report 1987), that conservation, community and economic dimensions converged in the conceptualisation of sustainable development. The guiding principles of sustainability were formulated in the following way: (1) holistic planning and strategy based on economic, environmental and social concerns; (2) preserving essential ecological processes; (3) protecting both biodiversity and human heritage; (4) development in a way that will allow sustaining productivity into the long-term future (the concept of the inter-generational equity) ; and (5) achieving better balance of fairness and opportunity between nations (*ibid.*, Fletcher 2005, Hall 2008).

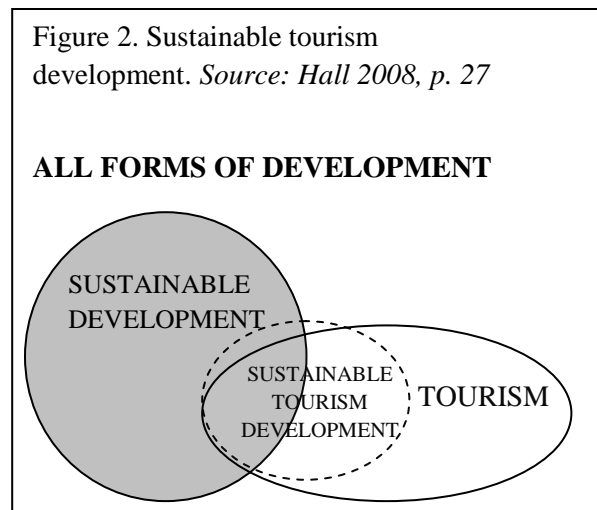
2.3.2 Sustainable tourism, sustainable tourism development or tourism development and sustainability

The general discourses on sustainable development gave a strong impetus to a vigorous debate in the field of tourism. Concern over the negative effects of tourism date back to the 1960s and were initially often related to research into the concept of carrying capacity. The latter was increasingly recognised as problematic both in theory and practice (O'Reilly 1986) and after the publication of Agenda 21 the conceptual link between impacts and carrying capacity was replaced by the concept of sustainable tourism. The 1990s witnessed a growing recognition of the importance of the sustainability imperative in tourism (Garrod and Fyall 1998), and in the 2000s sustainability proved one of the most common concepts used in tourism development discussions (Fletcher 2005). The sheer size of the industry and the number of people travelling set tourism as a contributing factor to, and a response to, the problems of global climate change, deforestation, poverty and economic restructuring (Hall 2008, p.19). Although tourism is not the only sector that affects the physical, socio-cultural and economic environments, the scale and rate of change that it brings raises concerns globally (ibid.) and an associated demand for public policies and planning intervention. Today sustainability is linked with all kinds and scales of tourism activities (Clarke 1997, Hunter 1997). While the concept of sustainable tourism has its proponents, it has also attracted increasing criticism of its practices and usability (Wheeller 2004, 2007, among others) to the extent that there are already suggestions for its replacement by a new concept – that of the ‘managed tourism’ (Page 2009).

The need to distinguish *sustainable tourism* from *sustainable tourism development* for the purpose of planning and management has long been recognised (Nelson 1999).

Some of the most influential authors in the tourism field differentiate sustainable tourism from sustainable tourism development on the basis of scale (Hall 2008) and single- or multi-sectoral approach (Butler 1999). Hall (2008, p. 27),

Figure 2. Sustainable tourism development. *Source: Hall 2008, p. 27*



for instance, considers sustainable tourism as a sub-set of both tourism and sustainable development (see Figure 2). He argues that sustainable tourism “*only refers to the application of the sustainability concept at the level of the tourism industry and consequent social, environment and economic effects, whereas sustainable development operates in a broader scale that incorporates all aspects of human interaction with the Earth’s environment*” (ibid.).

Butler (1999) also insists on a clear distinction between both terms. He defines tourism developed in line with sustainable development principles in the following way:

“... tourism which is developed and maintained in an area (community, environment) in such a manner and at such a scale that it remains viable over an indefinite period and does not degrade or alter the environment (human and physical) in which it exists to such a degree that it prohibits the successful development and well-being of other activities and processes” (Butler1999, p.36).

He then argues that sustainable tourism is “*tourism which is in a form which can maintain its viability in an area for an indefinite period of time*” (ibid.). According to Butler while the first definition requires the examination of tourism from a multi-sectoral point of view, the second definition defines sustainable tourism in the context of a single sector approach, which focuses on the continued viability of tourism and does not imply the environmental or socio-cultural attributes which have become attached to the concept of sustainable development.

Both terms are often used interchangeably in the public space, which is illustrated by the conceptual definition of sustainable tourism development, provided by the World Tourism Organisation (WTO):

Sustainable tourism development guidelines and management practices are applicable to all forms of tourism in all types of destinations, including mass tourism and the various niche tourism segments. Sustainability principles refer to the environmental, economic and socio-cultural aspects of tourism development, and a sustainable balance must be established between these three dimensions to guarantee its long-term sustainability. (WTO 2004)

The endorsement which sustainable development received from international and national organisations, especially from the European Commission and the United Nations, has been discussed in academic literature in different ways. Weaver (2006) points out that by bringing together two contradictory strands of continued growth, and slow growth, and government involvement, the concept provides ‘the attractive possibility of continuing economic development that does not unduly strain the earth’s environmental, socio-cultural or economic carrying capacities’ (2006, p.10). Concerns are being increasingly raised that the vagueness of the definitions allows businesses, governments and international organizations to use sustainability as a form of *greenwashing*, to demonstrate environmental and social responsibility to the public, which in its turn have hindered the implementation of sustainable practices (Fletcher 1995, Wheeler 1993, Mowforth and Munt 1998, 2009). At the most critical end of the debate, the concept is regarded as “superficially very appealing, but totally impractical” (Wheeler 2007, p. 73) and nothing more than a slogan. Fletcher (2005) argues that in order to be effective any objective should be clear, unambiguous, non-conflicting, measurable and achievable, and as sustainable development fails on nearly all of these characteristics, it cannot be considered to be achievable.

Advocates of the concept, on the other hand point that although sustainability is not specific, not easy to understand and quantify, it is still “probably the most important planning and policy issue of our time” (Hall 2008, p. 27). It has been further claimed that ‘sustainable development’ can be regarded in a similar way to concepts such as ‘democracy’, ‘liberty’ and ‘social justice’, whereby there is a readily understood ‘first-level of meaning’, surrounded by a number of fundamental contestations (Bramwell 2004, p. 17).

2.3.3 Approaches to the study of sustainable tourism and sustainable tourism development

Despite the debate in the academic literature on sustainability as to whether there is a universally accepted theory related to sustainable tourism (Hardy, Beeton and Pearson 2002), a general agreement has been achieved that if the historical context is taken into account, and particularly the works of Jafari (1990), Oppermann (1993) and Clarke (1997), it would then be possible to understand the context and evolution of the concept (Hunter 1997; Hardy, Beeton and Pearson 2002). The major approaches to sustainable tourism are briefly presented in the following sub-

sections, before this review moves to discuss the main descriptive and analytical models employed to analyse tourism development.

2.3.3.1 Jafari's platforms model

Adopting a historical approach, Jafari (2001) develops a framework for studying how tourism research approaches towards tourism development have changed over the decades after the Second World War. Jafari's model has been employed in the studies of the development of sustainable tourism concept when relating sustainable tourism to the conceptualizations of tourism (see Hardy, Beeton and Pearson 2002, Weaver 2004, 2006). Jafari (2001) contends that the *Advocacy*, *Cautionary*, *Adaptancy*, and *Knowledge-Based Platforms* have emerged chronologically, with each platform building on its predecessors, without replacing them, thus, all four platforms may coexist in contemporary tourism. Macbeth (2005) suggests two more platforms: *sustainability and ethics*, pointing out that the definition and implications of sustainable development are still contested which urges the study of the ethical issues in the contemporary context.

Table 5. Jafari's platforms at a glance		
Platforms	Time period	Main characteristics
Advocacy Platform	1950s and 1960s	Strong support for tourism based on the understanding that tourism generates economic and socio-cultural benefits. Linked to the modernization theory of Rostow (1960) in that tourism stimulates economic growth in certain growth poles and contributes to 'trickle-down' effects.
Cautionary Platform	1960s and 1970s	Advocates that unregulated tourism development, particularly related to mass tourism, brings unacceptably high environmental, economic and socio-cultural costs for the host destinations. Marked by the emergence of the environmental economics and developing methods for investigating environmental impacts, Oppermann's tourism dependence theory, and culminating in Butler's destination life cycle model
Adaptancy Platform	1980s	Searches for alternative forms of tourism development which would have less negative impacts - community centred, small and environmentally responsible.

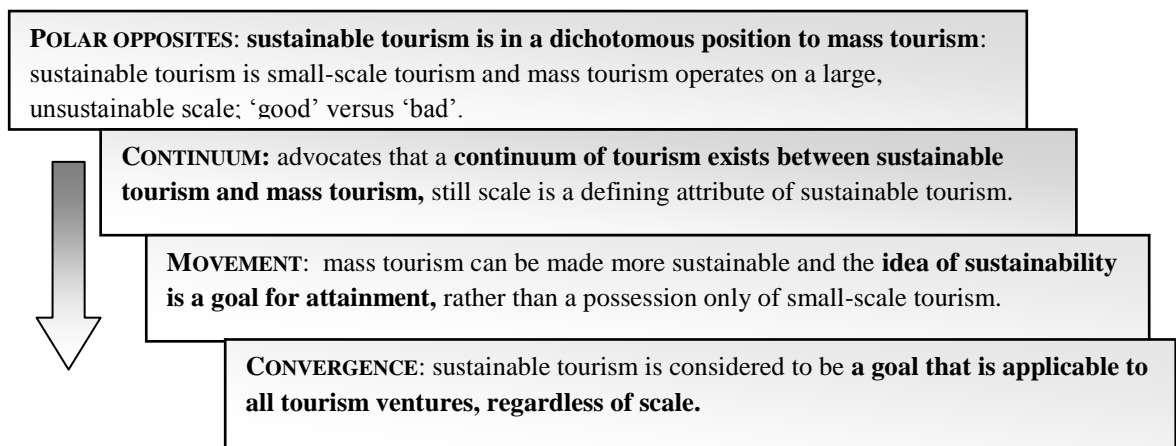
Knowledge-Based Platform	Mid 1980s, 1990s, 2000s	Embrace the principles of sustainable tourism development. General contention that sustainable tourism can be applied to all tourism ventures, regardless of scale. Search for operationalisation by developing indicators for sustainable tourism, codes of practice and guidelines for sustainable practices
<i>Source: Based on Jafari 2001, Weaver 2006 and Hardy, Beeton and Pearson 2002, Hawkins and Mann 2007.</i>		

Eadington and Smith (1992, in Hunter 1997) believe that Jafari’s platforms could be used as the starting point for detailed analyses of different interpretations of sustainable development and formulations of sustainable tourism within these interpretations.

2.3.3.2 Clarke’s framework of approaches to sustainable tourism

Clarke (1997) brings clarity in the overall proliferation of literature on sustainable tourism by elaborating a framework of approaches to the topic. Her framework consists of four positions which are chronologically sequenced according to the dominant understanding of sustainable tourism as position or goal. These are presented in Figure 3. Clarke’s framework provides a structure within which the approaches in academic work and policy approaches can be identified. As this research focuses on a traditional mass tourism destination, all discussion is being placed within the *Movement* and *Convergence* approaches which acknowledge sustainable tourism as applicable to all types of tourism.

Figure 3. Clarke (1997) A framework of approaches to sustainable tourism.



2.3.3.3 *The adaptive paradigm*

Hunter's (1997) *adaptive paradigm* reconsiders the sustainable tourism concept in the wider discourse of sustainable development, reflecting the flexibility of the sustainability concept. It further argues that "[s]ustainable tourism should not be regarded as a rigid framework, but rather as an adaptive paradigm which legitimizes a variety of approaches according to specific circumstances" (ibid.,p. 851) and accommodates both weak and strong interpretations of the sustainable development idea.

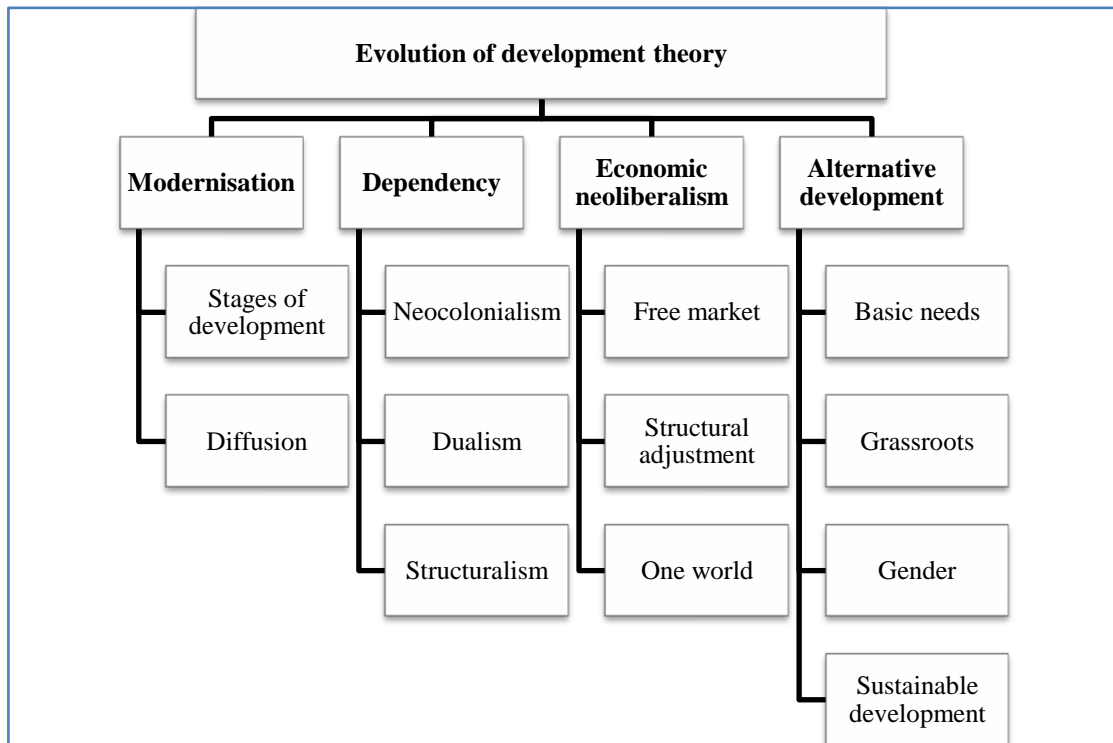
Instead of the traditional 'search for balance', Hunter suggests the 'distribution of priorities' within informed and transparent decision-making, which would lead to a better contribution of tourism to sustainable development. Four interpretations or models of sustainable tourism are suggested as conceptual frameworks in policy formulation for tourism development: *tourism imperative*, *product-led*, *environment-led*, and *neotenous tourism*.

The second approach is of particular interest to this research, namely the sustainable development through *product-led tourism*, which falls into the category of the weak interpretation of sustainable development. Within this perspective, while the environment system at destination areas may receive consideration, it still remains secondary to the primary need to develop new, and/or maintain existing tourism products in order to achieve ultimate growth in the tourism sector. The specific 'circumstances' which come to justify this model are identified with mature tourism destinations, especially if tourism is considered a priority sector in the local and national economy.

2.3.3.4 *Tourism development: the analytical models (diffusion, dependence, sustainability)*

The analytical models of tourism development reflect the ways in which tourism theories have interacted with the development theories (see Figure 4 below). According to Telfer (2002) *modernisation* has influenced many tourist studies, since tourism has been acknowledged as a strategy for economic and regional development; *dependency* has been a dominant development theory employed in tourism research as it has been related to the negative impacts of tourism; *economic neoliberalism* with its emphasis on the competitive exports and the Structural Adjustment Programmes has received less attention; and finally, the *alternative development* paradigm has attracted many researchers as it addresses the concept of sustainability.

Figure 4. Evolution of *development theory* (Adapted from Telfer 2002, p.51, based on Telfer 1996) – paradigms and theoretical approaches/models



2.3.3.5 *Tourism development: descriptive models*

Descriptive models examine tourism development from different spatial and temporal perspective, and typically have a deterministic and uni-linear character. These models have often been criticised for lack of analytical strengths. An examination of how destinations develop and change over time benefits from several descriptive models of the destinations' historical development the most popular of which are discussed in Davidson and Maitland (1997): Miossec (1976), Schwarzenbach (in Ritter, 1991), Gormsen (1981), Thurot (1973) and Doxey (1975). While their simplicity makes them useful as a practical tool, they all share the limitation that each one of these models is concerned with single aspects of development (see Table 6 below).

Table 6. Descriptive models of tourism development and characteristics of each model	
Miossec's (1976) tourism development model	This is a descriptive framework for the development of a destination's tourism facilities through time. Suggests five stages of development to describe the the physical development and the structural evolution, the tourist behaviour and the attitudes of the decision makers and the population of the receiving region. Stages go from the <i>isolation</i> and <i>pioneer development stage</i> through the <i>saturation phase</i> to <i>over development</i> . The model is similar to Rostow's categorization of stages.
Van Doorn (1979) and Schwarzenbach's spiral (Ritter, 1991)	Models incorporate the private sector and local/non-local participation perspectives. Schwarzenbach's spiral illustrates the tendency related to investments in and promotion of tourism facilities carried out by public authorities, which with every swing of the spiral become more remote from the destination.
Gormsen (1981)	A model of spatio-temporal development of international seaside tourism. Unlike other models is specific to particular times and places, takes a regional/external initiative perspective and demonstrates the extent of the participation of the different social classes (upper to lower) and the changing types of accommodation.
Thurot (1973)	The model reflects on the tendency of class succession in a three-phase model: Phase one: Rich tourists discover the area and their first international class hotel is constructed; Phase two: Tourist traffic expands and 'upper middle class' hotels are developed; and Phase three: The destination loses its original value and the 'middle class' is succeeded by mass tourists.
Doxey (1975)	Model of attitudes held by local residents towards tourists. Attitudes go

Irridex Model	through four attitudes: euphoria, apathy, annoyance and antagonism.
Butler's Tourism Area Life Cycle	Building on the ideas of Christaller, Plog, Cohen and Doxey the model suggests that destinations develop and change over time and go through a number of linked stages: exploration, involvement, development, consolidation, stagnation and decline or rejuvenation
<i>Source: Based on Davidson and Maitland 1997, Weaver 2006, Butler 2006, Hall 2008, Gormsen 1997</i>	

Critics of the descriptive modes in general and of Butler’s model in particular, (see for instance Briassoulis 2004; Hall 2008; Buhalis 1999; Harrison 1995, in Weaver 2000, Davidson and Maitland, 1997) point to a number of limitations, which make the model inapplicable to all areas and spacial scales. Some of these include the difficulty of identifying turning points, stages and level of aggregation; lack of acknowledgement that a destination offers a portfolio of tourism products, serves different markets and has different demand on the resources; and finally, the assumption that a ‘resort’ model and the overall development is primarily driven by the tourism industry. The descriptive models do not take into account the political, socio-economic and cultural transformations that may take place in a country. As McKercher (1999, p.427) points out, the models cannot “predict or explain the periods of incredible upheaval that seem to shake tourism systems to their very core, yet at the same time, allow them to re-emerge in an even more competitive manner”. For this reason, researchers who regard the tourism system as complex, dynamic and non-uni-linear employ the chaos paradigm (Russell and Faulkner 1998, McKercher 1999), or the pathway analysis, as discussed in the previous section on transition.

2.3.4 Sustainability – principles and research on traditional coastal tourist destinations

2.3.4.1 Planning in the framework of sustainability

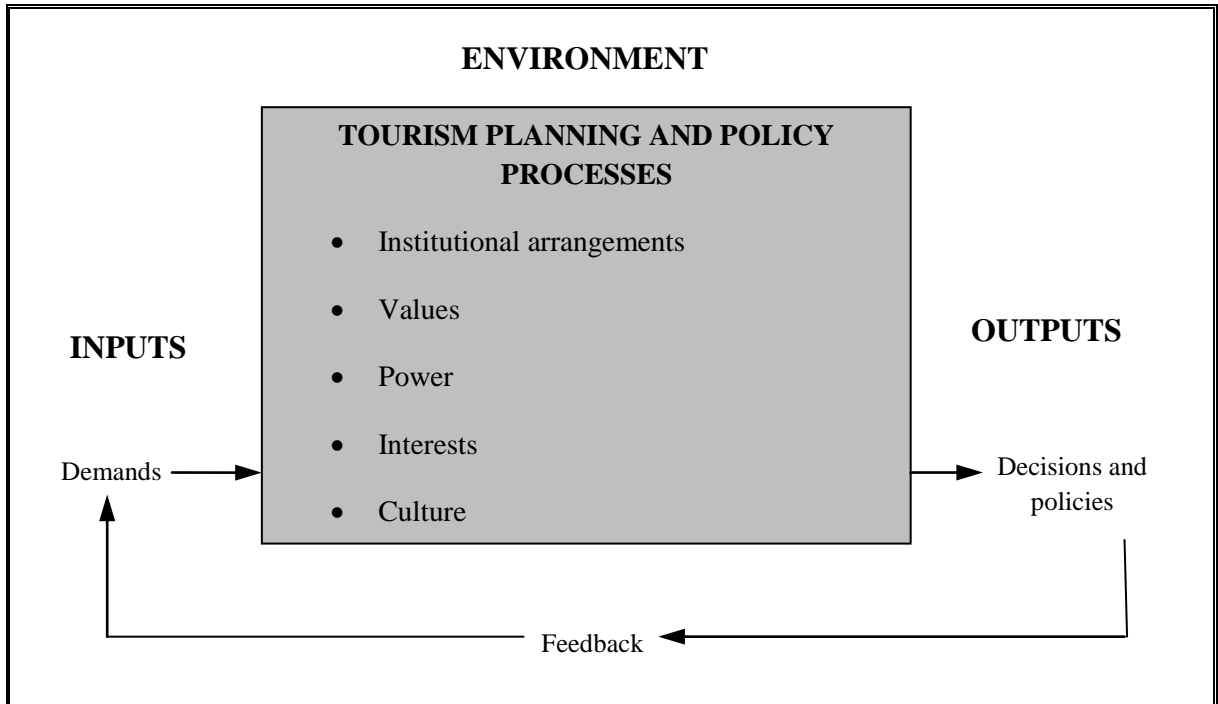
Mowforth and Munt (2009) identify two major groups of tourism research – the first group is concerned with the outputs of tourism, while the second focuses on the analysis of socio-cultural, economic and political forces which impact on tourism, thus placing tourism into a broader context. There is a general agreement that tourism needs to protect the very resources on which it depends

and this can be attained through policy and planning (Andriotis 2001, Bianchi 2004). The Rio Earth Summit and the Agenda 21 required policy commitments at all levels and emphasised that national governments should take the leadership role in implementing the principles of sustainability. Planning, thus, has long been regarded as a critical element in ensuring the sustainable development of tourist destinations, although it too has evolved over the decades following the development paradigms described earlier.

Therefore, within the framework of sustainability, policy studies are of a particular concern in gaining an insight into the causes and consequences of policy decisions, or else in understanding the influences that shape tourism policies and their application (Mowforth and Munt 2009, Bramwell 2004, Hall 2008). Dye (1992, in Hall 2008, p.10) suggests that one way to view public policy is as a dependent variable, whereby the critical question is ‘what socioeconomic [or environmental forces] and political system characteristics operate to shape the content of policy’. By doing this, the tourism policy process is placed within the context of capitalist development and the dynamics of capital accumulation (Bramwell 2004, p.32).

Drawing on the work of other researchers Hall points out that “[t]ourism policies and plans and the associated outcomes of government decisions with respect to tourism do not just ‘happen’ ” (2008, p. 14). He argues that what governments decide to do, or not to do, with respect to tourism can be seen “as a consequence of the political environment, values and ideologies, the distribution of power, institutional frameworks, and of decision-making processes” (ibid, p. 10). Indeed, placing the issues of values, politics and sustainability at the centre of tourism planning reveals the processes of planning and policy-making, or else as Hall put it, what happens inside the ‘black box’ of tourism planning (see Figure 5).

Figure 5. The 'black box' of tourism planning and policy systems (Hall 2008, p. 15)



2.3.4.2 Principles of sustainability in the policies and practices

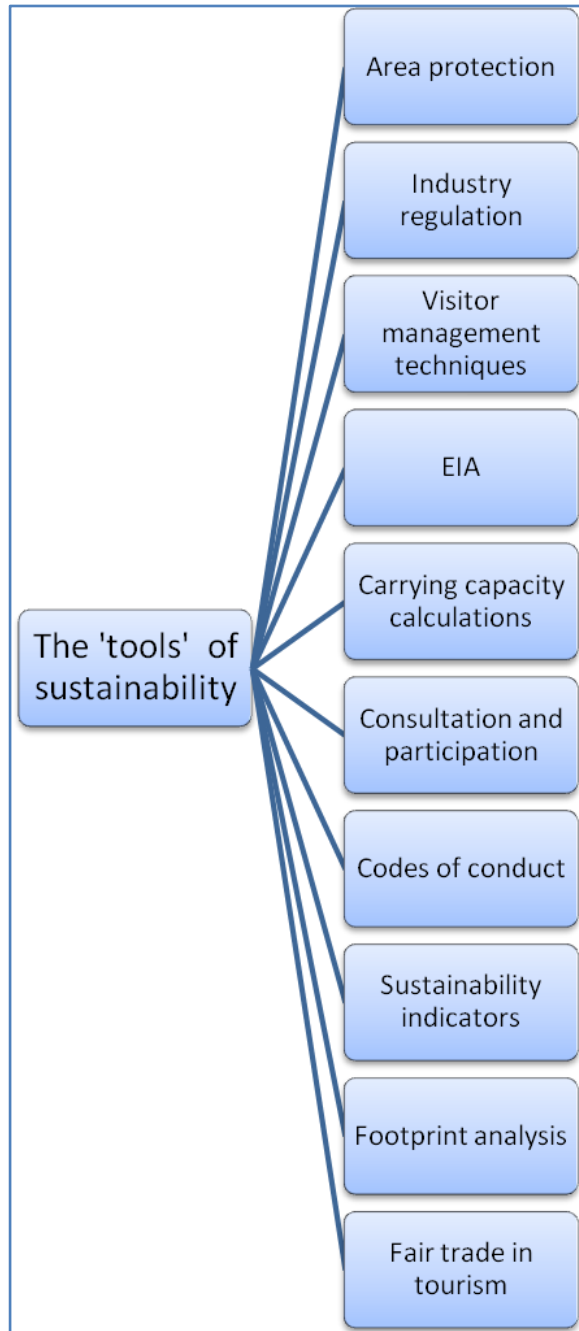
Literature on tourism and sustainability suggests a set of principles, which indicate whether sustainability is being implemented in the policies and practices of the tourism stakeholders. Although there are diverse conceptions and interpretations by different stakeholder groups, a general consensus seems to exist as to what constitutes 'sustainable tourism development'. The essential requirements to achieve sustainability are summarised in Table 7 below.

Table 7. Requirements to achieve sustainability.

- Sustainable tourism development guidelines and management practices are being applied to all forms of tourism in all types of destinations (including mass tourism)
- Welfare of host communities
- Protect and conserve resources – be environmentally responsible
- Triple bottom line approach - a suitable balance is being established between the environmental, economic, and socio-cultural aspects of tourism development
- Multi-stakeholder approach - the participation of all relevant stakeholders is required, major emphasis on local control and participation in decision-making
- Governments should undertake the leadership - strong political leadership to ensure wide participation and consensus
- Benefits of tourism should be widely spread throughout the society
- Long-term view
- Maintaining a high level of tourist satisfaction
- Constant monitoring of impacts and introducing the necessary preventive and/or corrective measures
- Sectoral coordination and integration

Source: The author, based on UNEP 2004, Dodds 2005 and Briassoulis 2004.

Figure 6. Tools of sustainability (Source: Adapted from Mowforth and Munt 2009, p.110-111)



As discussed earlier in the chapter, sustainability is a much contested notion. Mowforth and Munt (2009) warn that it cannot be reduced to a set of absolute principles; in fact no establishment would be able to meet all the criteria for sustainability suggested in the academic literature. They suggest that should the principles be applied this should be done in “a relative way [...] relative to the varying perceptions of those who use them, and relative to the values, ideological and moral, of those who apply and interpret them” (ibid., p. 108). In order to assess the various aspects of sustainability, Mowforth and Munt (ibid.) suggest a list of tools, adapted in Figure 6.

While there is a growing body of research on the impacts of tourism, the list of publications on the implementation of sustainable tourism development in coastal tourism destinations is relatively short. In addition, previous research is not bound to the transition context but has implications for the case studied in the present research (Bramwell 2004) since the selected papers evaluate coastal tourism development in relation to sustainable development.

From a more general perspective, previous research shows two inter linked trends in the policies and techniques affecting tourism and sustainable development in the Mediterranean

coastal regions in relation to the objectives of sustainable development. These are the *environmental upgrading* of mass tourism resorts and facilities, and *product diversification* into small-scale ‘alternative’ tourism and new types of larger-scale tourism (Bramwell 2004; Farsari, Butler and Prastakos 2007). These policy approaches reflect the adoption of the ideas of ecological modernization thinking, but also the need to act to preserve the economic viability of tourism.

Product diversification involves two different responses. On the one hand, it is concerned with developing new products which aim to attract high spending tourists, yet still have many of the mass tourism features, such as golf courses, marinas, casinos and exhibition and conference centres. On the other hand, it involves developing ‘alternative’ tourism products that are intended to operate on a small scale and draw on unique features of the destination, such as ecology, culture and history. *Environmental upgrading* too is interpreted in two different ways – first, it is seen as related to existing products and the need to improve quality through higher standards of accommodation and services; second, it involves using tougher land-use planning controls in the coastal areas, improvements in water quality and beach cleaning, and initiatives to reduce energy use and recycle waste in the accommodation sector (Bramwell 2004).

The evaluative studies of the policies introduced to address the implementation of sustainability (Bramwell 2004, Barke and Towner 2004, Rebollo and Baidal 2004) question the extent to which the policies and techniques put forward by the governance encourage sustainable outcomes. They conclude that any progress towards more sustainable forms of tourism activity are, at best, superficial because of the continuing growth-oriented strategy of tourism and a failure to engage with the environmental, socio-cultural and political contexts of sustainable tourism development. (Tosun, Timothy and Öztürk 2004, Tsartas 2004, Briassoulis 2004, Sadler 2004, Dodds 2005 among others).

These principles (Table 7) and tools of sustainability (Figure 7), as well as the policy approaches to achieve sustainability discussed in the paragraph above, are used in this research as a guideline to answer the second research question, namely, whether the principles of sustainability have been incorporated in the policies and practices of the stakeholders in the destination studied.

2.3.5 Sustainability, transition and tourism

2.3.5.1 The relationship between the socialist legacy and sustainability

The relationship between the concept of sustainability and transition is seen as complex one and one of the reasons for this was seen as stemming from the socialist legacy. The UNDP *Capacity 21* Summary Report (1998) on the challenges to sustainable development in Bulgaria acknowledged that while the transition forces hinder the implementation of sustainability, the interrelation between development and sustainability are to a large extent predetermined by the institutional legacy of the socialist decades. According to the report, “[t]he socialist experiment was closely connected with a specific idea of “development” and of “sustainability”; they constituted nuclear components in its ideology” (1998, p.2). The authors argue that, the ‘socialist experiment’ largely discredited the ideas of development, continuity, and sustainability that were part of the socialist experiment’s agenda. Moreover, all concrete political practices for implementing the socialist ideas of ‘development’ and of ‘sustainability’ (e.g. centralisation and state involvement) only led to reinforcing the power of the political elite, while the increased planning and administration resulted in ‘more chaos and unpredictability’ in the economy. According to the authors of the report this had influenced the attitudes that dominated the public discourse in the transitional 1990s.

The dubious influence of the socialist legacy on the implementation of sustainability during the transition decades was also discussed with regard to tourism. On the one hand, it was noted that in its most prescriptive, ‘Stalinist’ form the organisation of international tourism in the socialist decades offered a model for environmental, if not social sustainability (Hall 2000). On the other hand, sustainability of tourism development has been constrained by the legacy of centralized, top-down civil administration, the equating of the new notion of collective action with the collectivized organization of the past, the lack of trust towards cooperation of any kind and sensitivity even towards ecologically inspired restriction of freedom (Hall 2000, p.449).

2.3.5.2 Sustainability and transition

The limited research on the issues of sustainability in the coastal areas of the CEE countries benefits from research on the South European coast (as presented in the previous section of this chapter), which focused on the impacts of development, policies and planning for sustainable restructuring

and development of coastal areas (Barke and Towner 2004, Briassoulis 2004, Dodds 2006 among others). Bramwell (2004) believes that the Mediterranean experience has implications for other coastal areas and for Bulgaria's Black Sea coast in particular, as it clearly demonstrates that implementing the principles of sustainable development in the policy-making and in the practice requires certain preconditions. These include: secure property rights, strategic natural, manmade and sociocultural capital, environmental and social stability, democratic governance, sectoral coordination and policy integration (Barke and Towner 2004, Bramwell 2004a, Hunter 1997, Liu 2003, Mowforth and Munt 2009). Citing Smith (1996) Hall (2000) points to three criteria required for sustainable development policies: knowledge of the processes leading to environmental deterioration, the means to influence these processes and the political will to make the necessary compromises and trade-offs which will have an economic cost as well as an environmental benefit. Furthermore, as Hall (2000) states, the political will requires confident institutions of governance, a stable civil society, a buoyant economy, and international support - just the last of these was observable in the CEE states in the form of the EU funding.

Over the last two decades the academic literature deals with the issues of sustainability in the transition context either from a holistic view point, or in relation to the development of alternative types of tourism in less developed regions (Hall 1998). Thus, the transformation of the traditional coastal destinations in the CEE states has received very little attention from the academic community. Among the notable exceptions are Jordan's (2000) study which questions whether Croatian tourism is advancing on the path towards sustainable development under new market conditions; and the study by Alipour and Dizdarevic (2007) on Bosnia and Herzegovina that revealed that the perception of tourism planning and development among the decision-makers is devoid of new approaches in respect of the issues of sustainability and community involvement in the decision making process.

The issues of sustainability are present in studies on Bulgarian tourism since the mid 1990s. The aspects of the challenges to the implementation of the principles of sustainable development in a transition economy were discussed by Marinov (1996, 1999), Marinov, Popov and Garnizov (1998) and Marinov and Petrov (2000). Koulov (1996) argues that the institutional restructuring that followed the post-1989 transformations have had a direct negative impact on the environmental

conservation and protection of the south Black Sea coast. In the 1990s, Bachvarov (1997) defined sustainable tourism as achieving the clients' satisfaction as an ultimate goal, but only in harmony with the interests of other related parties – the company, employees and the host community. He acknowledged that only sustainable tourism can provide an all-embracing and harmonious contribution to the development of Bulgarian tourism on an international, national and regional scale. Later, Bachvarov (1999) raised the issue of the 'troubled sustainability' of the Bulgarian seaside resorts in view of the then pending processes of restructuring, which appeared to be in conflict with the inherited model of tourism development. In a more recent work he warns that 'the recent boom in the resorts that are becoming too urbanized and lacking coherent planning is major challenge to Bulgaria's sustainability as a tourism destination'(2006, p.254).

The WTTC review of decision-making structures which address sustainability in 1999 found that in contrast to Poland, Romania, Slovenia and Yugoslavia, such structures in Bulgaria were either present or in development (Hall 2000). For instance, there were Local Regional Agenda 21 Frameworks in place and Environmental Impact Assessment laws; a national sustainable development coordination body, a national sustainable development policy and a National Agenda 21 framework were being developed. Nevertheless, despite the commitments to sustainability, the CEE environmental action programmes have faced difficulties in trying to integrate environmental goals into other areas of government policy (ibid.). This situation is not unique to the transition countries. A similar gap between policy commitments and their implementation was emphasised by the European Commission for Tourism (2007) and further research (see Dodds 2005, Choi 2005 among others) demonstrated that it is not bound to a specific destination or the transition context. As Butler pointed out, "The creation of policies alone does not mean anything has been achieved" (2005, p.42).

The approach to tourism development in Bulgaria shares commonalities with the approaches found in other transition countries. A study on Bosnia and Herzegovina showed that sustainability was not used as an integrated framework (Alipour and Dizdarevic 2007). In the context of Croatia, Jordan (2000) found that sustainable development was equated with restructuring coastal resorts, along with establishing a new identity, repositioning, upgrading, infrastructure; inclusion of the hinterland; and questioned whether this is the appropriate way ahead.

All studies on coastal tourism in the CEE and EEC tend to attribute most failures to the political complexity of the economies in transition (Alipour and Dizdarevic 2007), the economic transformations (Jordan 2000), inefficient policy and planning (Bachvarov 2006), thus neglecting the issues of capitalist relations. In the same vein, Bachvarov (2006) suggests that the incompatibility of the ‘get rich quick’ attitude with the orderly, ecological and sustainable development lies behind the problems emerging on the Black Sea coast. Perhaps logically ‘with the emphasis in post-communist CEE upon economic reform, issues of local, social and cultural sustainability have received relatively little attention’ (Hall 2000, p. 445).

2.4 Conclusion

This chapter sought to provide a critical review of the literature in the research area of sustainable tourism development in a transition economy with a focus on coastal tourism destinations. As this area appeared to have attracted little attention from the research community, the literature review gradually broadened its scope by incorporating previous research on tourism development, sustainability and CEE transition, thus aiming at deeper understanding of the major theories and concepts in the field.

Section 1 focused on the *transition* phenomenon in order to introduce the generic theories, concepts and models employed to analyse the transition processes in general and with respect to tourism in particular. It has been argued that the understanding of the processes of change have remained fragmented and empirical partly due to the lack of a theoretical framework for studying the complex processes that constitute tourism in transition. Scholars researching tourism in (CEE) transition (Jaakson 1996; Williams and Baláz 2002, 2005; Hall 2000; Saarinen and Task 2008) dismiss the utility of development stage models as a theoretical framework, based on their uni-linearity. An additional argument was that highly-organised tourism industry in the CEE existed before 1989 and it is in transformation rather than evolving from a low base through distinctive stages. The literature review of transition suggested that the nature of the transformations on Bulgaria’s Black Sea coast can best be analysed using *path-dependency path-creation* approach because of its focus on the analysis of institutions and the ways the institutional legacies have been reworked, alongside an appreciation of the divergent pathways in the transition.

Section 2 dealt with the debate on sustainable tourism development and discussed the discourses within sustainable tourism, as well as the established models employed to analyse tourism development. It has been demonstrated that although the meanings and interpretations of sustainable tourism have evolved over the last two decades, the nature of the concept remained socially constructed, related to values, attitudes and knowledge, laden with power issues constituted by different stakeholders. There is a common agreement that the analysis of socio-cultural, economic and political forces would place tourism into a broader context. Another general agreement is that the protection of the very resources on which tourism depends can be attained through policy and planning and the leadership of the public sector in implementing the principles of sustainability. Within the framework of sustainability, policy studies are of a particular concern in gaining an insight of the causes and consequences of policy decisions, or else in understanding the influences that shape tourism policies and their application. Despite the different interpretations, a broad yet relatively consistent set of criteria or principles has been employed to define whether the concept of sustainability is being incorporated in the general and specific policies and practices of the stakeholders. These have been discussed in section 2.3.4.2. as important guidelines for this research. The subsequent overview of research on coastal tourism development with relation to the concept of sustainable development showed that there is a need of research into the policies adopted by the public sector and their implementation.

The last subsection aimed to critically evaluate previous work done on transition in relation to coastal tourism and sustainability. It found that previous research is sparse partly because most interest have been directed at development of alternative types of tourism as part of strategies for regional development and establishing new identities; and partly because it has been difficult to accommodate the concept of sustainability within the context of transition (Hall 2000) and especially to relate it to the inherited integrated model of coastal tourism development. The studies on Croatia (Jordan 2000) and Bosnia and Herzegovina (Alipour and Dizdarevic 2007) take different epistemological approaches and question whether sustainability is the appropriate way ahead. In contrast, the studies on Bulgaria warn (Bachvarov 1997, 1999, 2006) that the lack of a coherent policy and planning is a major challenge to Bulgaria's sustainability as a tourism destination. All studies referenced in this chapter confirmed that there has been a firm emphasis on the economic

aspects of tourism development and sustainability, while issues of local, social and cultural sustainability have received little attention.

The following chapter will deal with the initial conceptual framework and provide a justification of the research strategy and methods employed to achieving the research aim and objectives.

CHAPTER 3: METHODOLOGY

3.1 Introduction

The Literature Review chapter demonstrated that the transition economies of Central and Eastern Europe (CEE) have increasingly been the focus of tourism development studies (Hall *et al.* 2006, Hall 2008, Saarinen and Task 2008). The central issues in research have been related to how tourism development was influenced by the transition from a system of central planning towards the free-market economy and the role tourism played in this process. Nevertheless, very little attention has been paid to studying the impact of transition on the transformation and development of coastal tourism destinations in the CEE transition economies and Bulgaria in particular.

In view of impending EU membership most CEE countries had made advances towards sustainability (Hall 2000). However research on the issues of sustainability has been related to the potential contribution of tourism to regional development and the challenges stemming from the transition context. Very few studies have investigated if the tourism stakeholders have incorporated and implemented the principles of sustainability in the transformation and operation of the tourism sector in traditional coastal tourism destinations (see Jordan 2000 on Croatia, and Alipour and Dizdarevic 2007 on Bosnia and Herzegovina).

The **aim** of the present research is to document, analyse and critically evaluate the influence of the socio-economic and political transition on the development of tourism through a critical analysis of a tourism destination on Bulgaria's Black Sea coast. In order to achieve its aim this study investigated the general and tourism-related policies and the concrete outcomes of the tourism development to gain an insight into 'what happened on the ground'. Then it sought to analyse *why* this happened and *what* processes determined the specific path(s) of tourism development on Bulgaria's North Black Sea coast.

The specific research **objectives** were formulated as follows:

1. to develop an initial conceptual framework for studying the processes occurring within a transition economy and their relationship to the development of tourism in a coastal mass tourism destination;
2. to provide an overview of the development of Bulgaria's coastal tourism to demonstrate the specific characteristics of the development during the transition period (1989-2009);
3. to investigate, analyse and evaluate relevant governmental, non-governmental and commercial organizations' policies, actions and underlying attitudes in the period of transition in relation to the development and operation of the coastal tourism destination of Varna-Balchik on Bulgaria's Northern Black Sea coast and the businesses within it;
4. to determine the degree to which the principles of sustainability were adopted and implemented in the policies and practices of the stakeholders involved in the development of Varna-Balchik as a tourism destination and the reasons for those actions or lack of actions;
5. to refine, on the basis of the findings of the research, the initial conceptual framework in order to propose a theoretical framework relating the effects of political and socioeconomic transition on the development path of tourism and the adoption and implementation of the principles of sustainable development.

In order to meet its objectives this research employed a case study strategy to examine and analyse the development processes that took place on Bulgaria's North Black Sea (Varna-Balchik destination) in the period of transition, 1989-2009. Research data was collected using a multi-method research approach with a combination of documentary evidence and primary data gathered using qualitative research techniques including semi-structured in-depth interviews and observation. The interviews were conducted with 24 decision-makers from the public, private and non-governmental sector at a local, regional and national level, involved in tourism development of the destination studied at some time over the period studied (1989-2009).

This chapter presents and explains the case-study strategy, the underlying conceptual framework and the ways in which the methodology employed contributed to achieving the research aim and objectives, what were its limitations and what efforts were made to address them.

3.2 Case study as a research strategy

3.2.1 The fundamentals of a case study

A case study research strategy was considered most suitable for the research compared to other social sciences research strategies, such as experiments, surveys, histories and archival information. A case study strategy is used when “how and why questions are being asked about a contemporary set of events over which the investigator has little or no control” (Yin 2003, p.9). In the present study the research questions were descriptive (*What happened?*) and explanatory (*How and why did this happen?*). The focus was on studying the coastal tourism development in the specific tourism destination of Varna-Balchik on Bulgaria’s Black Sea coast over the last two decades in order to explain the relationship between the two aspects of the phenomenon, the transition processes and the type of development.

It is generally agreed that a case study is the research strategy most often used in explanatory and descriptive research, as it provides an accurate profile of events or situations (Robson 2002) and facilitates a rich understanding of the context of the research and the processes being enacted (Saunders 2007). The use of case study as a research strategy in tourism research has been growing (Xiao and Smith 2006). A case study “examines the dynamics of a situation within the real-world context of the case, without necessarily attempting to generalise observed cause-and-effect connections or to identify patterns that can be applied to other situations or a larger population” (Smith 2010, p.188).

A case study approach is considered a comprehensive research strategy that covers the logic of research design, provides data collection techniques and offers specific approaches to data analysis (Yin 2003, Smith 2010). Furthermore, when a study addresses a process question, seeks to identify and explain the changes over time, and reveals how the attitudes and actions of various stakeholder

groups has developed tourism, the recommended research method is a case study (Marshall and Rossman 1989; Stake 1994). A *case* is defined as a phenomenon occurring in a bounded context, which has several dimensions: its *temporal* extent, its *conceptual* nature, its *physical* location and its *social* size.

Bulgaria's North Bulgaria's Black Sea coast (Varna-Balchik destination) was considered an appropriate case study for the following reasons:

1. The phenomenon of intensive tourism (re-)development on the North Black Sea Coast could be studied in the context of a transition to a political democracy and market economy.
2. Unlike the South Black Sea coast (in Koulov 1996, Vodenska 2004), the North Black Sea coast has not been the focus of research in the last two decades.
3. It is a typical case of a traditional coastal destination marked by types of development specific to the pre-transition period – the integrated tourism development model, exemplified by purpose built resorts.

The sub-sections below deal with each one of these dimensions of the *case* selected with regard to the present research: 3.2.2 is concerned with the *temporal* extent, 3.2.3 focuses on the *conceptual* nature, 3.2.4 sets the *physical* boundaries, and lastly 3.2.5 looks at the *social* size.

3.2.2 The temporal extent of the case study

The temporal boundaries of the case study cover the period between 1989 and 2009. As noted in the literature review, the conceptualising of *transition* as a 'process of restructuring formerly communist political economies with the end goal of establishing economic, political and administrative norms which conform to the requirements for successful EU accession' (Hall 2004, p.221) suggests a temporal extent of two decades. This is the period between 1989 when the societal transformation in Bulgaria started with the political changes, and 2007 when the EU accession marks the formal 'end' of the post-socialist transition phase. However, in this research the time framework was extended to 2009 to accommodate the view that although the economic and political transition may have been formally over, there is still a long-way to go to achieve social and cultural convergence. This decision was further supported by the reservations articulated by the European

Commission with regard to EU enlargement due to non-compliance of Bulgaria with the requirements of two of the EU accession clauses.

This time-frame was confirmed through the analysis of the interview data. There was a general agreement among the research informants that although the term ‘transition’ has proved rather vague, it could be accepted that the political and socio-economic transition started in 1989 and in terms of economic and political convergence it ended in 2007, while the socio-cultural transformations will continue for a long time. The primary data suggested two sub-periods of transition, the division based on the changes of property rights, in particular the dichotomy: *before and towards privatisation* (1989-2001) – the ‘core’ of transition, and *after the privatisation* (2002-2009) - post-privatisation development.

3.2.3 The conceptual nature of the case study

The purpose of this sub-section is twofold – to determine the conceptual nature of the case study and to explain how two of the research objectives were addressed.

In order to answer its research questions, the present study set as its objective (research objective 1) to develop an initial conceptual framework for studying the processes occurring within a transition economy and their relationship to the development of tourism in a tourism destination. On the basis of the findings of the research, this initial conceptual framework was refined in order to propose a framework relating the effects of political and socio-economic transition on the development path of tourism and the adoption and implementation of the principles of sustainable development (research objective 5).

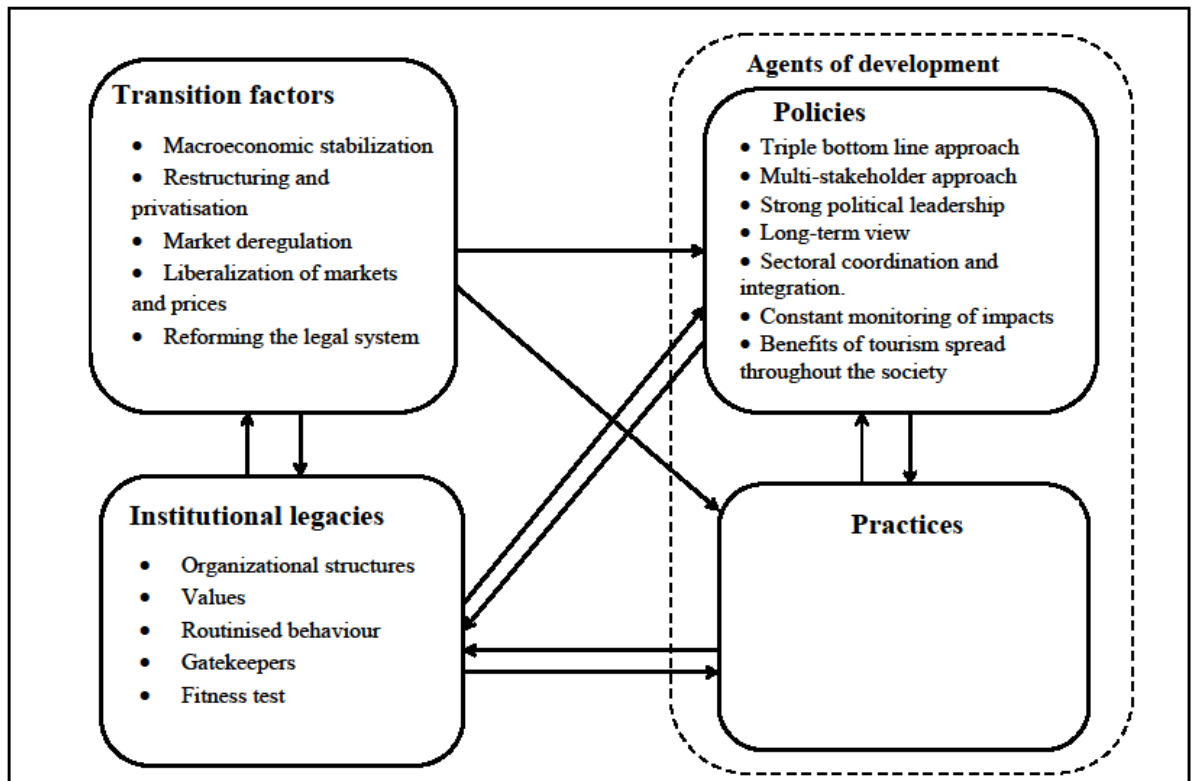
From the outset, this research faced an epistemological dilemma as to ‘what constitutes acceptable knowledge in a field of tourism development during times of rapid societal transformations?’ The key epistemological question ‘can the approach to the study of the social world (phenomena) be the same as the approach to studying the natural sciences?’ raised two major considerations. First, the differences between research of ‘unstable’ as opposed to ‘stable’ contexts. Second, how acceptable would be the knowledge developed from the research process, determined by using ‘Western’ models, or else, imported ‘theoretical lenses’. The literature review showed that social researchers of post-socialist transition processes in the 1990s have questioned the use of theoretical work deeply

rooted in the Anglo-American academy, and in particular the economic theories of neo-liberalism, as well as the employment of Western social theories to guide research interpretations (Burawoy 1999, Stark and Bruszt 1998, Hörschelmann and Stenning 2008 among others). To add to this, it has been acknowledged that conventional approaches to tourism research are more adjusted to the analysis of relatively stable systems, resulting in large gaps in the understanding of turbulent phases in tourism development and the underlying dynamics of change (Russell and Faulkner 1999, Hall 2000, Saarinen and Task 2008).

The study of tourism development in transition is therefore seen as underpinned by the critical realist view that events and experiences in the world are triggered by underlying mechanisms and structures (Bhaskar 1975, in Saunders 2007). Such a stance combines the central views of the *path-dependency path-creation approach* and New Institutional Economics in that it acknowledges the existence of a greater variety of structures, procedures and processes and their capacity to interact with one another. Within an analytical framework of interdependencies between the main elements of the political and economic sectors, the *actors* (decision-makers) behaviour is seen as influenced by *the institutional framework* (property rights, regulation, institutions and informal rules of the game). The *path-creation approach* and New Institutional Economics provide similar platforms for understanding the decision-making process: circumstances of incomplete information and unsecured expectations may create situations like the ‘prisoners’ dilemma’ which explain the rationality of preferences in decision-making in a given institutional set. Such an approach is evident in the Hall’s (2008) model of the ‘black box’ of tourism planning and policy systems which discusses the issues of institutional arrangements, values, power, interests, culture, networks and significant individuals (see Figure 5, Chapter 2).

The initial conceptual framework (Figure 7) of the present research was built upon theory and previous research and included elements clustered in three interrelated groups: the factors of socio-economic and political transition, the institutional legacies and the agents of tourism development. These themes and concepts were explored in the semi-structured in-depth interviews with decision-makers and were used as a basis for developing the very initial index in the data analysis. It must be noted however that this initial framework was revised to accommodate the themes that emerged from the primary data (see Chapter 6, sub-section 6.2.1).

Figure 7 Initial conceptual framework



The initial conceptual framework included the **factors of transition** that comprise the key pillars of the economic transition: the macroeconomic stabilisation (reform of the banking system, control of high inflation, stabilisation of exchange rates, price stability), restructuring and privatisation (establishing of property rights), market deregulation and opening the economy to foreign trade and inward investments, and liberalisation of prices and markets. The reformation of the political and social systems creates the institutions needed to support the economic reforms, such as the legal system, including the regulation of property rights. These factors are bound up with the institutional legacies, existing at the starting point of the reforms and in their turn contribute to the adaptation of the institutions to the new conditions and determine the policies and actions of the agents (stakeholders) of development.

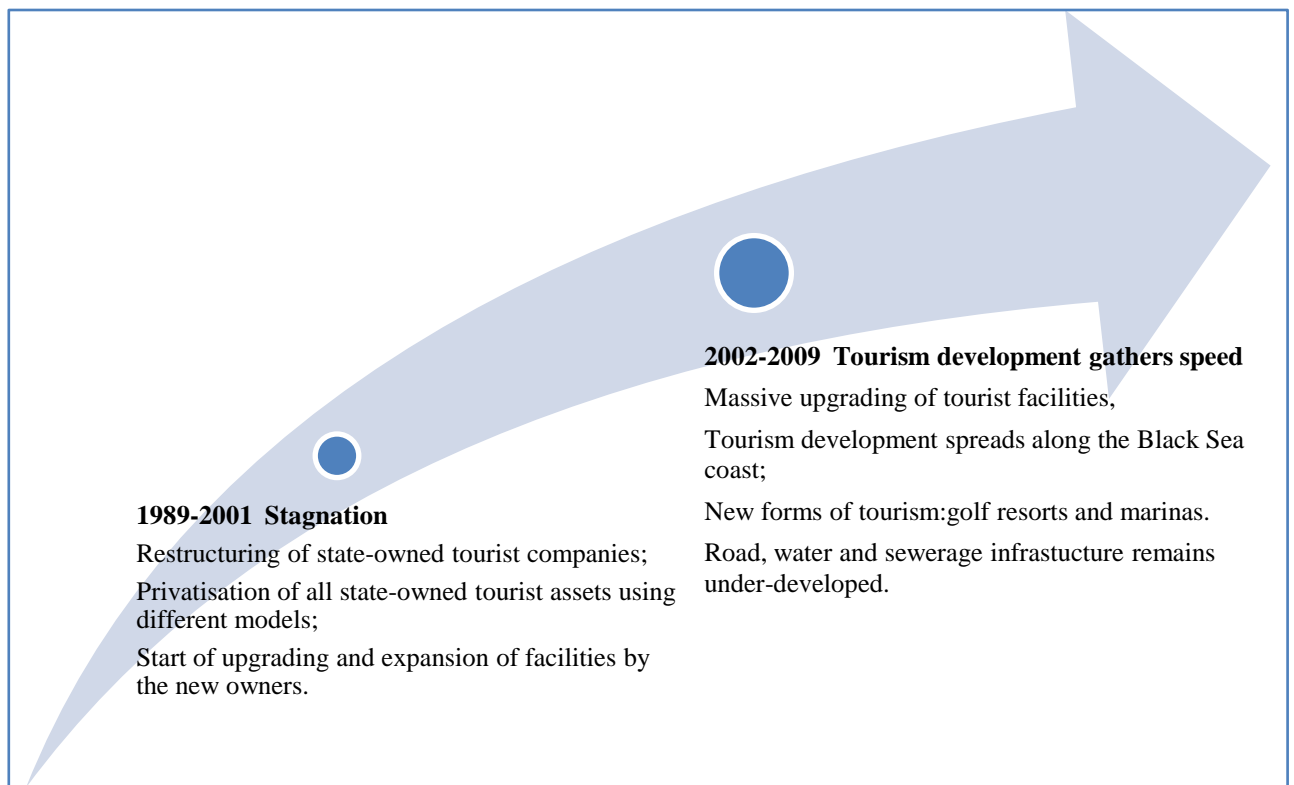
Studies on tourism development acknowledge the role of a wide range of ‘**Agents of development**’ within the public, private sector and non-governmental organisations (Pearce 1989) and their will to invest in accommodation and in infrastructure (Andriotis 2006). Understanding tourism development was, therefore, conceptualized as the interplay between the **Agents of development**, often referred to as the **stakeholders**. The **Agents of development** are the different stakeholders at a local (local government authorities, businesses, business associations and NGOs), national (national tourism authorities and tourism-related ministries and agencies, investors, national business associations and NGOs) and international (tour operators, investors and others) level. These *stakeholders* are engaged in the policy-making, planning, regulation, promotion and operating of tourism at a destination level, and it is their ‘will’ that makes development possible and determines its specific pathway(s). The agents of development are influenced by the transition factors and the institutional legacies, and facilitate the process of adjusting the institutional legacies to the new realities.

The nature and extent of involvement of the agents/stakeholders is determined by the political and socio-economic context of transition (Williams and Baláz 2002, 2005; Bramwell and Meyer 2007) and the actions and practices of all actors, are shaped by the **institutional legacies**, which favour some pathways of development over others. **Institutions** are defined as the formal legal rules and the informal social norms that govern individual behaviour and structure social interactions. The **institutional legacies**, existing at the starting point of the changes- the **organizational forms** (or structures) for the provision of tourism services, **value systems**, **agents of development** and **routinised behaviour** (or ‘old mentalities’) - are adapting to the new realities influenced by the current socio-economic changes during the transition and in their turn, shape back the policies and practices of agents of development. The sub-concept of the **fitness test** is mainly related to the operation of the tourism businesses and recognises that ineffective solutions may lead to business failures which, in their turn, are regarded as a preconditions for evolutionary selection, leading to variety.

In the initial conceptual framework the policies and actions were placed in the broad frame of the notion of sustainability with its focus on the triple bottom line approach, long-term planning, cooperation between actors, local empowerment, policy integration, constant monitoring of impacts, strong political leadership.

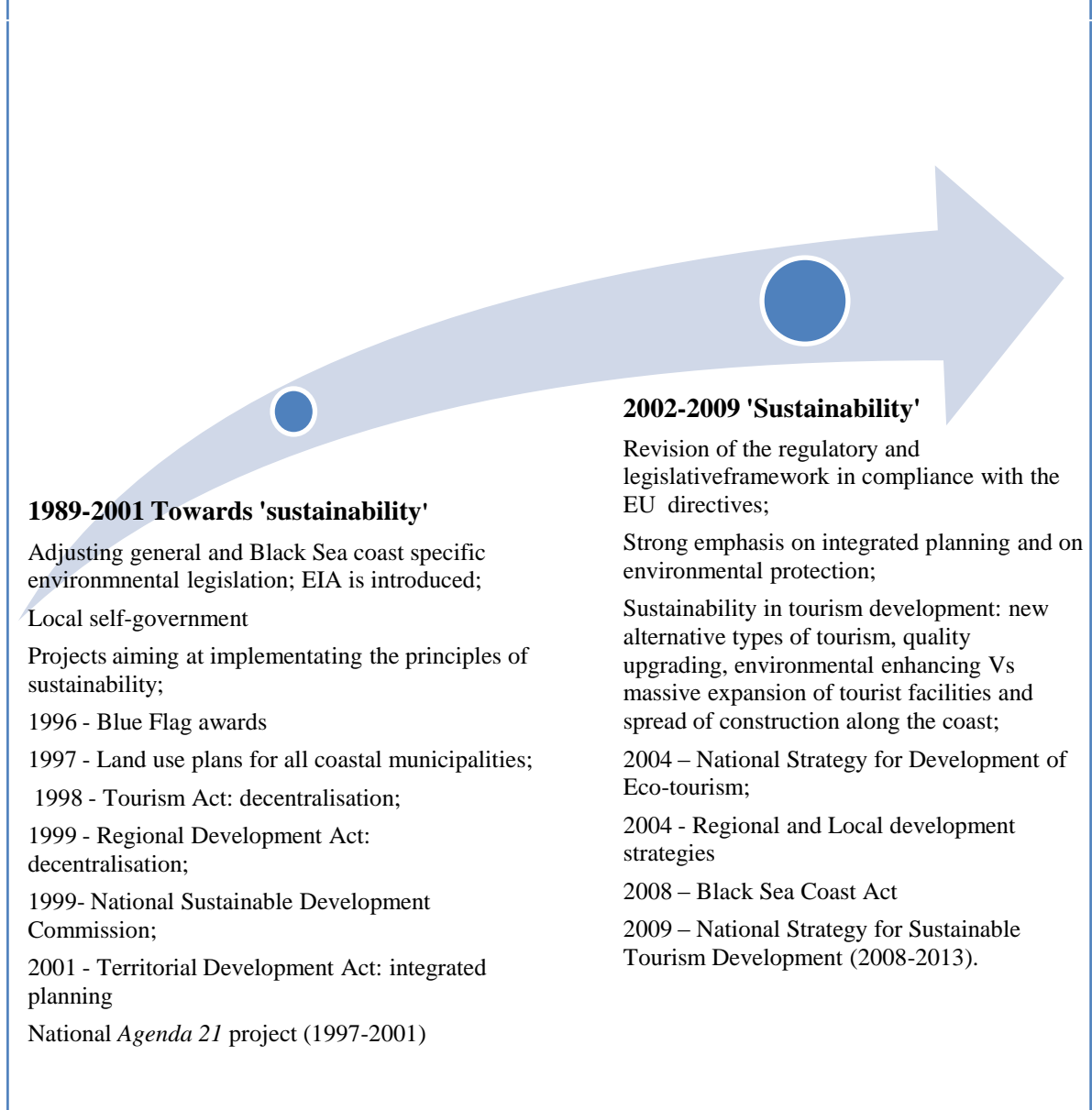
The adoption of a *path-dependent path-creation* approach allows chronological analysis, as it implies that the features of the present are determined by the legacies of the past as well as being shaped by the structure (or ‘the wider social world’). It suggests the employment of time-lines as a way to organize the inquiry line. This is illustrated by Figure 8 and Figure 9 below.

Figure 8. Timeline of tourism development on Bulgaria’s North Black Sea coast, 1989-2009



The adoption of sustainability over the different time-periods was being assessed by examining the general and tourism specific development policies, planning procedures and predominant business and public sector practices, and the impacts of tourism development on the tourist destination (see Figure 9 below).

Figure 9. Sustainability curve, 1989-2009: policy and planning at national and local level



3.2.4 Physical boundaries of the case study

The specific setting for testing the propositions, and expanding the theory on tourism development, is Bulgaria's Northern Black Sea coast and two of the coastal municipalities in particular - Varna and Balchik (see Fig. 10). Tourism destinations are seen as "historically produced structures, which

Figure 10. The destination studied:
Varna-Balchik on Bulgaria's North Black
Sea coast

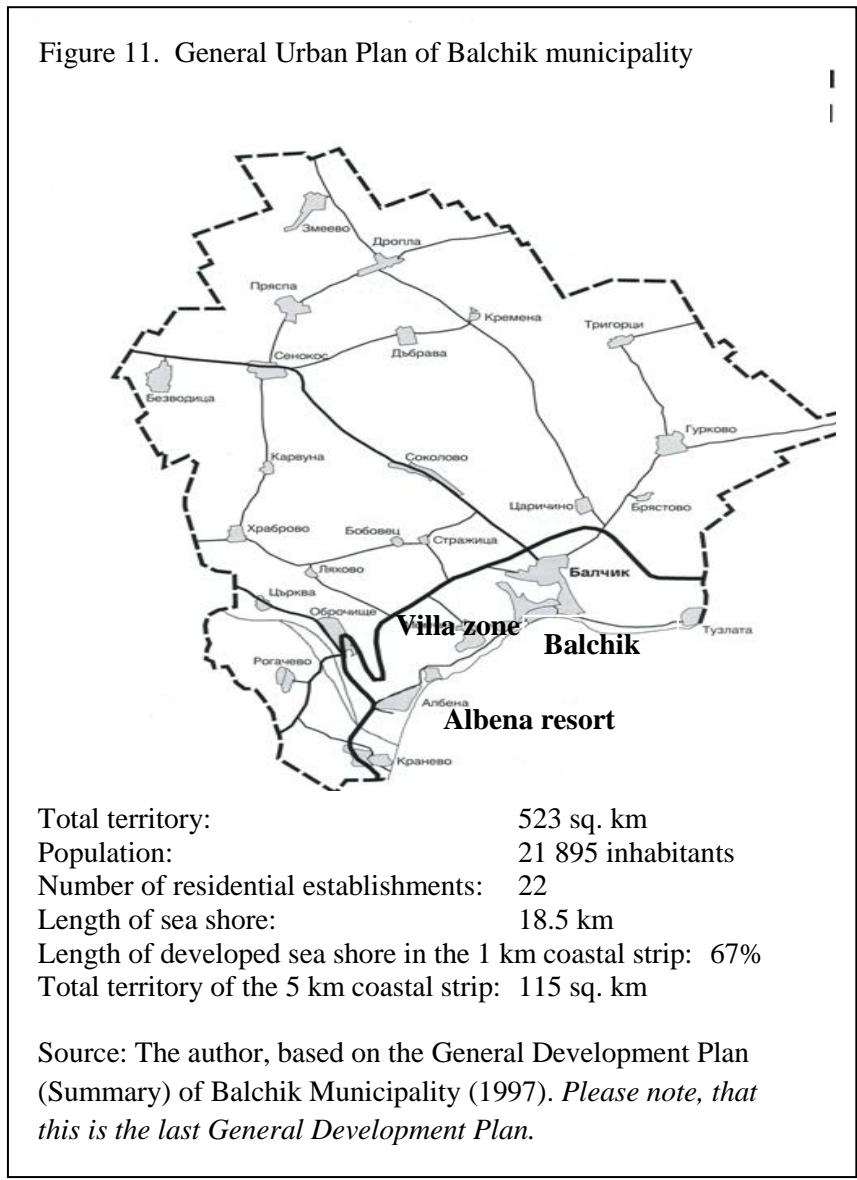


are experienced, represented and developed through different economic, political, social and cultural forces, and discursive practices” (Saarinen and Task 2008, p.455). Within the general framework of sustainability, the tourism destination has been acknowledged as an appropriate level of study because it is at this level that development policies are elaborated and implemented, and a full range of stakeholders take part in the tourism development and operation (TSG 2007). The operational definition adopted for the purpose of this study describes the tourism destination as “an area of visitor appeal which includes accommodation, attractions and support services, while at the same time being defined by physical, thematic and administrative boundaries, and embraces a set of distinctive images and qualities that give it a brand identity” (ibid., p.18).

The unit which meets the requirements of the definitions above with regard to the Bulgarian context is the *municipality*. This is the smallest unit of self-governance in the country at which policy and planning activities are carried out.

At the earlier stages of the research it was considered appropriate to focus on the whole north coast. This coast consists of four municipalities, all together known traditionally as Varna tourist destination, being under the administrative governance of Varna and serviced by Varna international airport for decades. The initial screening, however, found that two of the most northern municipalities (Kavarna and Shabla) did not meet the requirements of the definition for a destination adopted for the purpose of this research. It appeared that tourism development in the municipality of Kavarna started only near the end of the studied period (since 2005), while Shabla municipality was practically under-developed for the purpose of tourism. On this basis, the study of tourism development on Bulgaria's Black Sea coast during the transition period focused on the

coastal municipalities of Varna and Balchik. Throughout the study the destination studied is alternatively referred to as Varna-Balchik or Bulgaria's North Black Sea coast.



The initial intention was to adopt a comparative case study design and study Balchik municipality (Figure 11) and Varna municipality (Figure 12) as two separate case studies brought together into the 'replication' logic required for multiple case studies. However, the information available was not sufficient to put forward comparable criteria and develop a theoretical framework that would define the conditions under which the studied phenomena are likely (or not) to be found. Therefore, the adoption of a single holistic case study was

seen as most appropriate. The adoption of this approach and focus is further supported by the findings from the literature review and initial data collection, that no other research has investigated the tourism development on the Bulgaria's Northern Black sea coast from 1989 to the present day. Thus, the selected case can be regarded as revelatory.

Varna-Balchik as a destination exemplifies the distinct aspect of tourism development on the Bulgarian Black Sea coast, associated with both existing communities and specially created tourism settlements (De Kadt 1979 and Barbaza 1970, in Bachvarov 1999). It also reflects the complexities of a mature mass market destination (Pearman 1990, Carter 1991, Harrison 1993), which has experienced the impact of the socio-economic transition of the country (Bachvarov 1997, 1999, 2006).

The bulk of the tourist facilities are concentrated within the 5 km coastal strip in the purpose built resorts of Albena (Figure 11) and St. Constantine and Golden Sands (see Figure 12).

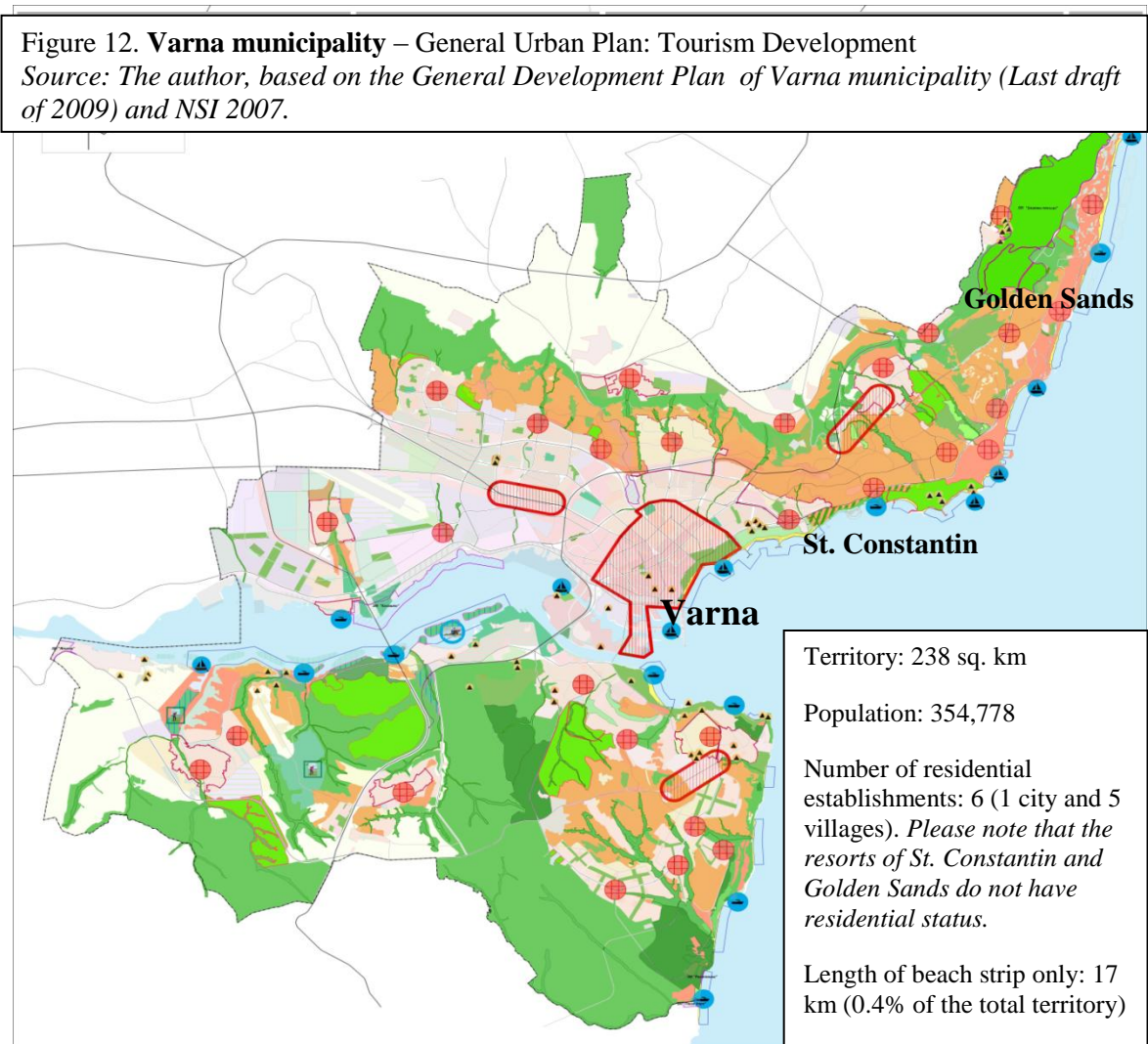


Figure 13. Facts about Varna municipality

- Urbanised territory: in 2008 – 35.4%; in 2030 – 56.5% (expected)
- % of resort and recreational territories – in 2008 - 2.6%; in 2030 – 3% (expected)
- Permanent population of resorts – 3,372 in 2007
- % of population employed in tourism – in 2001 – 10,5%; 2005- 14,2%
- % of population employed in real estate – in 2001 – 7,8%; 2005 – 10,4%
- Tourist beds in Varna region - 61,396 beds in 2007
- Tourist beds in Varna municipality according to Varna’s General Development Plan (last draft 2009): 342,000 beds, including:
 - Resorts: 120,000 beds
 - Residential and recreational (villa) zones – 175,000 beds
 - Central part of Varna city – 47,000 beds

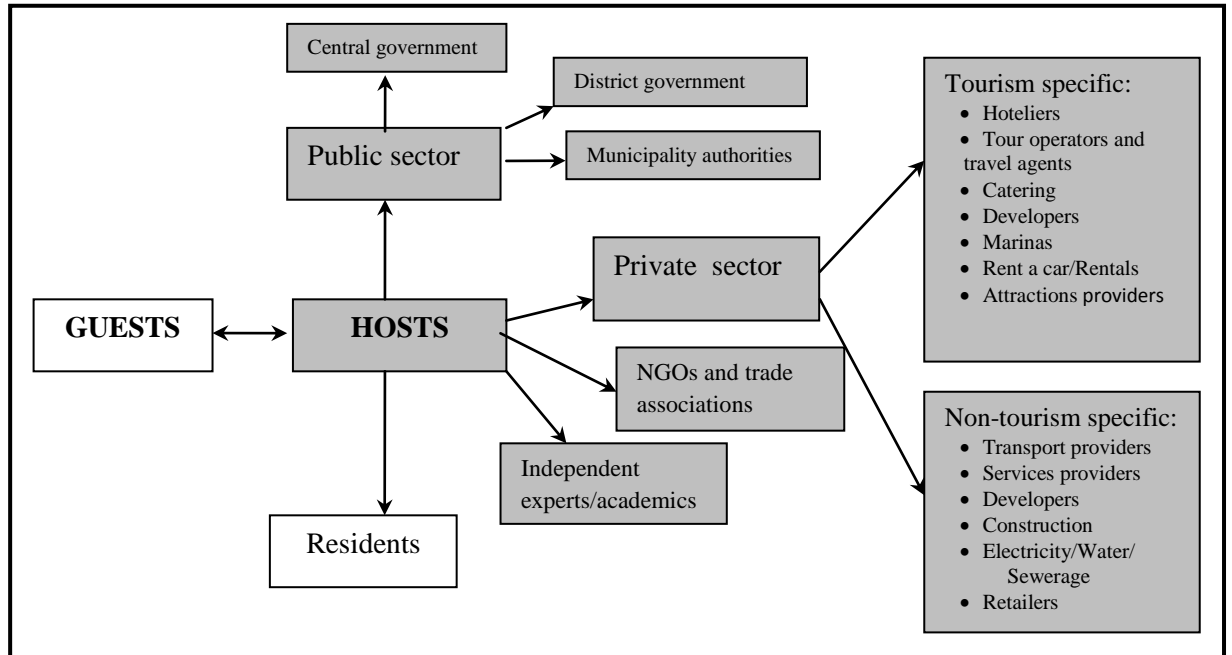
Source: The author, based on Varna General Development Plan – Last draft of 2009 and NSI 2007

This is the oldest tourism destination in the country with the first tourist facilities developed in the late 19th century. Varna and Balchik are the administrative centres of local self-governance. Until the end of the 1990s both municipalities were part of the wider Varna district. However, after the Regional Development Act was enforced in 1999 Varna district was split into two smaller district units with Balchik allocated into the newly established Dobrich district. Under the regional development and planning system adopted in the 2000s, Varna is also the centre of the planning region which encompasses the whole North-East territory of Bulgaria. The study uses alternatively Varna-Balchik and Bulgaria’s North Black Sea coast to refer to the tourism destination researched.

3.2.5 Social size of the case study

There are different ways to interpret the social size of a case study. For the purpose of this research the social size of Varna-Balchik destination was defined by the sampling procedures as defined by Miles and Huberman (1994). The literature review identified the main stakeholder groups of tourism development and suggested that the decision-makers involved in the tourism development come from specific groups in the public sector, private sector, NGOs, and trade associations and experts (see Figure14).

Figure 14. Stakeholders in tourism development: the highlighted groups were included in the research



This research studied the tourism development on Bulgaria’s North Black Sea coast through the ‘lived experiences’ of the decision-makers from the three major stakeholders groups: the public, the business (private) and the non-governmental sector. It was assumed that those who have been involved in the decision-making at some time over the period studied would be able to explain ‘what happened’ and ‘why it happened’, in other words, what factors influenced their decisions. In order to understand the development of a tourism destination, the decision-makers’ groups were expanded to include the public sector officials at the different tiers of government (local, regional and national), business enterprises directly operating in tourism, but also those from the non-tourism specific sectors (infrastructure, transport, construction, developers), and the third sector: the trade organisations and environmental NGOs.

3.3 Adopting a qualitative approach

It has been acknowledged earlier that conventional approaches to tourism research are more adjusted to the analysis of relatively stable systems, resulting in large gaps in the understanding of turbulent phases in tourism development such as transition (Russell and Faulkner 1999, Hall 2000, Saarinen and Task 2008). It has also been argued that tourism spaces (destinations) and their

sustainability have been seen as social constructs. Epistemologically such a conceptualization has been associated with power relations constituted by different actors and discourses. As Saarinen (2006, p.1130) points out citing Proctor, “impacts exist in the physical world (in spite of human values, meanings, and preferences) [...] But in the world of meanings and social forces, the question of whether these changes are acceptable or unacceptable depends on the perspective, the touristic discourses, and one’s specific (societal) values, attitudes, knowledge, and priorities concerning the role and impacts.”

Based on Saarinen’s (ibid.) and Tinsley and Lynch’s (2001) understanding of destination development as a social construct, this research focused on the subjective states of actors involved in processes and on the meanings given to social relations in order to understand existing policies and practices (Roberts and Simpson 1999) and the decision-making behind these. The adoption of a qualitative approach helped to get beyond initial conceptions, study ‘which events led to which consequences and derive explanation’, and consequently the revision of the initial conceptual framework (Miles and Huberman 1994).

3.4 Research methods

3.4.1 Document analysis (documentation and archival sources)

3.4.1.1 Rationale

The documentary evidence had an important role to play in the present research, as in any other research on policies and practices. It should be noted that although some authors (Yin 2003) distinguish between documentation and archival records, such a divide in the present research was not applied. The exploratory stage of the research showed that the boundaries between both sources of data are blurred. As a general rule, documentation (where available) related to the major processes of the transition period, such as restructuring and privatisation, were available in the public archives only, many of them not complete and with restricted access. Documentation came in the form of public and private sector strategies, programmes, action plans, government legislation acts, research commissioned by different levels and organisations (see Appendices 10, 11, 18, 19 and 20 for a systematic display), anniversary editions of companies, newspaper clippings and

photographs taken during the field work, among others. All these provided a valuable secondary data needed to:

- analyse the specific characteristics of the development of tourism on the Black Sea coast during the transition period and up to the present time (research objective 2);
- investigate, analyse and evaluate relevant governmental, non-governmental and commercial organizations' policies and actions in relation to the development and operation of a coastal tourism destination of Varna (objective 3); and
- study the degree to which the principles of sustainability were adopted and implemented in the policies and practices of the stakeholders involved in the coastal tourism development (objective 4).

The documentation was used both to guide the themes pursued in the in-depth interviews and to corroborate and augment the evidence from other sources (Yin 2003). Newspaper clippings in particular were used to identify the appropriate strategies for accessing the field of research and establish rapport with the interviewees.

3.4.1.2 Documentary sources

Documents obtained from national, regional and local authorities, NGOs and tourism companies operating in the Varna-Balchik (North Black Sea coast) tourist destination provided insight about the past and indicated how priorities and objectives of tourism development changed over time. These documents were useful, although only when used in conjunction with the semi-structured interviews and the observation. This research took into account the general guidelines not to accept documentation and archival reports as literal recordings of the events that have taken place. First, the documents might have been deliberately edited, hence they may not be accurate (Yin 2003) and second, because the search of documentation on the internet, in organisations' archives and in public archives demonstrated a chaotic state of keeping. There were some instances when a certain privatisation deal proposal, provided in the archives as the official one, was used as a prompt during an interview with its author and it was found that this was not the final version. Reliance on archival records was ruled out at the very early stage of the research when field work at the Varna district archive showed that access to information related to restructuring and privatisation of all resort

complexes was restricted for confidentiality reasons. In addition, the application procedures to gain access were not specified and it was necessary to address each company directly. Over the years, however, most companies were restructured, moved offices and changed management, and many of the documents had been disposed of. Nevertheless, different companies were willing to provide whatever documentation was available (minutes of meetings, business plans, internal tourist satisfaction analyses, strategies for development, among others) and different company individuals tried to fill in the gaps with their own accounts.

Evidence about the public policies was preserved in a number of development plans, programmes for development, action plans, national, regional and local reports, normative acts. Most of these were retrieved from private archives. Despite its scarcity, previous research at national level raised various significant issues.

3.4.1.3. Content analysis

The documentary evidence collected for this study was analysed using one of the classical procedures for analysing textual material, content analysis (Flick 2002, Marshall and Rossman 2006, Jennings 2001). According to Smith (2010), while quantitative content analysis determines frequencies, directions, intensity and space associated with the variable(s) selected, the qualitative content analysis involves developing categories arising from the data, assessing the relevance and strength of the categories and reporting the findings. Flick (2002, p.190) further suggested that categories may be brought to the empirical material from the literature and not necessarily developed from it. This is the approach of adopted in this study.

Drawing on the work of Mayring (1983, in Flick 2002), Flick (2002) and Sarantakos (1998) content analysis was conducted following the steps described below.

- Data was organised based on their classification type: organisational administrative documents (correspondence; agendas, internal reports, strategies/plans/programmes), newspaper clippings, EU funded projects' documentation, previous research (customer satisfaction surveys), etc..
- All materials were thoroughly scanned to select the parts which were relevant to the research questions.

- The situation of data collection were analysed to clarify where the documents came from.
- The formal characterises of the material were considered: how was the material documented, was it edited and how.
- The data was reduced into initial, pre-determined categories, which had been stipulated beforehand, according to a tentative framework (as recommended by Patton 2002, in Marshall and Rossman, 2006). The literature review had suggested broad categories, such as coastal tourism development, transition, property rights, liberalization of the markets, sustainability, pro-sustainability policies and actions to implement sustainability.
- Initial categories were repeatedly assessed and modified where necessary. They were applied to the data, tested for relevance, complemented and supplemented by sub-categories and new categories, which emerged from the secondary data. For instance, within the category of transition, a new sub-category, that emerged from the data was strategies for privatising the existing tourism companies. The ‘tourism development policies’ category was further divided into product upgrading, environmental upgrading, introducing of new, alternative types of tourism. Environmental impacts emerged as a category in its own right, with sub-categories of physical overdevelopment and inadequate infrastructure among others.
- At the stage when the interview analysis started the categories that emerged from the framework analysis were constantly compared with those from the documentary analysis to corroborate data at the level of the ‘fact’.
- Results were interpreted with respect to the research question and compared with the initial theoretical propositions developed as part of the analytical strategy (see 6.2.4.3 and 7.2).

3.4.2 Semi-structured in-depth interviews

3.4.2.1 Rationale

Semi-structured interviews were chosen as a research technique in order to:

- collect rich and detailed data about the specific features of tourism development on Bulgaria's North Black Sea coast from the perspective of those individuals who had taken part in the decision-making (research objective 2);
- investigate, analyse and evaluate relevant governmental, non-governmental and commercial organizations' policies, actions and underlying attitudes in the period of transition in relation to the development and operation of a coastal tourism destination of Varna and the businesses within it (research objective 3);
- determine the degree to which the principles of sustainability were adopted and implemented in the policies and practices of the stakeholders involved in the development of Varna as a coastal tourism destination and the reasons for those actions or lack of actions (research objective 4) .

This research inquiry involved 38 semi-structured in-depth interviews with 24 research participants, 20 informal conversations with 'gatekeepers' and a large number of conversations with local people. Out of the 24 interviewees 10 were public sector (PS) participants, another 10 were business sector (BS) participants and 4 were non-governmental sector (NGO) participants.

During the interviews decision-makers were asked about their views on the meaning of tourism development, the impact of the transition processes, the meaning of sustainability and their decision-making experience. The research focused on their subjective accounts and interpretations of *what happened* and *why it happened* (Kvale 1996; Yow 1994). A theoretical basis was established based on the literature review and the document analysis to identify the main concepts and themes in order to build credibility and to develop the interview guide. It was considered important that all the prepared questions were asked and that similar wording was used in each interview (Bryman 2008).

3.4.2.2 Sampling strategy

The interview respondents were selected purposefully as 'decision-makers' who had occupied a position that would have allowed them to take part in decision making related to the process of tourism development on Bulgaria's Northern Black Sea coast, at some time during the period from

1989 to the present day, and thereby have made a contribution to the present-day state of tourism in the destination studied. It was assumed that people who were making the decision(s) know best what they did and why.

It was further assumed that decision-makers would be influential and well-informed people, who have held positions in social, political, financial, or administrative circles, and therefore could provide valuable insight to the topic of the research. Furthermore, the transition has been a period of initial capital accumulation, typically coupled with the authoritarian style typical of the way these businesses were managed. Hence, these respondents alone might have had access to the sensitive information related to decision-making. The interviewing of the decision-makers has many similarities with the interviewing of elites, which are often regarded as a separate type of interview along with the phenomenological, ethnographic and focus group interviews (Marshall and Rossman 2006, Holloway 1997). The selection of respondents for the in depth semi-structured interviews was undertaken in two stages.

At Selection Stage 1 pre-determined criteria to define ‘decision-makers’ and ‘knowledgeable sources’ were developed in order to ensure transparency and to start the process of snowball sampling. The selection criteria are listed below.

(1) Individuals who currently hold or held senior positions in the main co-ordinating bodies in the decision-making process related to tourism development in the period 1989 to the present day. The Tourism Act and the information provided by the Government of Bulgaria to the 5th and 9th Sessions of the UN Commission on Sustainable Development defined the main coordinating bodies as follows:

- *national level*: State Agency for Tourism (former Ministry of Culture and Tourism (2001-2006), Ministry of Trade and Tourism (1997-c.1999), Ministry of Economy (c.1999-2001), Committee for Tourism (before 1997)) and National Tourism Board;
- *district administration* : District authorities of Varna and District authorities of Dobrich
- *local level*: municipality administration and local tourism boards – Varna local authorities and Balchik local authorities, Varna Chamber of Tourism and Balchik Tourism Council.

(2) National and regional NGOs (listed on the website of the State Agency for Tourism).

(3) Academics and/or experts who have published on tourism development and sustainable development in Bulgaria with a focus on the Black Sea coast (if applicable) from 1990 to the present day.

As the business sector was not included in the ‘decision-makers’ categories listed in the government documents at this, initial, stage no potential study participants from the private sector were contacted.

The initial list which was formed according to the pre-set criteria contained the names of 25 individuals, identified as ‘knowledgeable sources’, who were either directly involved in decision-making (for instance, groups 1 and 2 above) or presumably had done in-depth research on the issues of tourism development and sustainability. These individuals were contacted by e-mail (in order to save time and expenses) or post (where e-mail contact details were not available). It was assumed that all individuals held positions which gave them internet access and that they would be more willing to cooperate if the correspondence was not related with extra postal expenses for them. The initial postings were in the Bulgarian and English languages. The follow up correspondence was only in the language native to the potential respondents. The purpose of the research was explained and each one of the addressees was asked (1) for a personal meeting and (2) to recommend other individuals, who met the pre-set criteria. A sampling frame in the form of a Stakeholders’ Matrix was attached to aid as a prompt to the selection process (see Appendix 12).

The e-mails were repeated three times over a period of one month. However, due to a low response rate, the main selection was conducted in personal meetings with the individuals from the list. The individuals whose names were then recommended were contacted for interviews and at the beginning or the end of the introductory meeting they were asked to recommend other people who met the pre-determined criteria.

At Selection Stage 2, the selection done during the first round of introductory meetings, was taken further by asking every new interviewee to recommend other people who have had experience in the development of tourism on Bulgaria’s North Black Sea coast.

In general, the selection of respondents was a time-consuming and slow process, for the following reasons:

(1) The time-span – people were asked to recommend not only contemporary decision-makers, but also decision-makers over a period of two decades. In order to remember names and institutions from the past, people had to go over what happened over the years. This proved a useful preparation for the actual interview when done before commencing the interview; however, it took longer than expected.

(2) The sporadic, weakly regulated and off-plan tourism development over the period studied (1989-2009) - while the informants found it relatively easy to come up with names of decision-makers from the business sector (partly because most of the individuals were involved in tourism for decades), it was challenging to distinguish public sector decision-makers as individuals and even more difficult to name NGOs or individuals from the non-governmental sector.

For these reasons, as a rule, it was seen as appropriate to start the contact with each informant with a short introductory meeting, aiming to establish rapport and trust, fill in the stakeholders' matrix with recommended names, arrange an appropriate time for an interview session and discuss confidentiality issues. Due to the time constraints of both the interviewee and the interviewer, this was often not possible. The access to the respondents and the interview process differed depending on the type of the decision-maker. Some decision-makers belonged to a network and were dependent on peers and superiors (common for the public and business sector respondents at senior executive position), others preserved relative independence (company owners, top executives, heads of local government, e.g. governors, mayors). In order to choose the most appropriate 'access' and 'trust establishing' strategies, extensive preparatory work was done to familiarise with the personality, career and the affiliation to a network (where applicable) of the potential interviewee.

The exact number of participants and interviews was not determined in advance. The initial plan was to continue the interviewing until no new names emerged, which proved a feasible strategy. The snowballing was supplemented by theoretical sampling in order to fill in gaps in terms of 'multiple perspectives', for instance by including a certain individual who represented at a senior management level one of the largest multinational tour operators for the last two decades.

It was expected that potential respondents would be interviewed on a number of occasions in order to obtain rich and detailed information. The aim was to gain the 'contemporary', both from the past

and the present perspective, accounts of decision-makers from the public, business and non-governmental sector.

3.4.2.3 *The interview process*

- ***Piloting***

Three pilot interviews were conducted well before the start of the actual interviews for two reasons. First, to check whether the topics in the interview guide elicited rich and detailed information, and second, to provide an opportunity for the researcher to rehearse, assess and amend the interview process, before starting the actual interviewing. Every effort was made to ensure that different stakeholders groups were represented in these pilots. All three pilot interviews were recorded and transcribed into Bulgarian language by the interviewer. One of the interviews was randomly selected by the supervisory team and translated into English language by a professional translator. This made possible a discussion of the interviewing strategy and process with the supervisory team.

- ***Actual interviews***

The field work was conducted during the low season (April-May and October-November 2009) to ensure the maximum co-operation and participation of the business sector decision-makers and avoid the vacation period of the public and NGO officials. Unfortunately, this strategy did not prove fully successful when applied to decision-makers as the low season was frequently used by these individuals to participate in other institutional activities or focus on other corporate businesses away from the destination studied. Therefore, face-to-face interviews were carefully organised well in advance of the travel to the research field to take into account the commitments of the informants.

All interviews were recorded with the prior consent of the study participants. Overall, the respondents, who had been involved in decision making in only one period (for instance, only in the 1990s or only in the 2000s), and given that their ability to recall past experiences was good, were able to cover all interview guide topics in one meeting. Those who had been involved for the whole period studied (1989-2009) were interviewed on a number of occasions (varying between two to four sessions) in order to obtain rich and detailed information.

Although an immediate transcription of the interviews would have been an advantage this was not possible due to the intensive schedule and the lack of access to appropriate technical equipment during the field trip. Where second and third interviews were conducted, the records of the previous interview(s) were being played and listened to repeatedly to determine the themes covered, and the extent to which answers for the questions had been exhausted.

- ***Informal conversations***

A number of academic research papers (Bramwell 2007; Andriotis 2000) report the use of informal interviews/conversations in addition to the in-depth interviews. This is considered a useful method to supplement, clarify and confirm the findings from the in-depth interviews. The informal conversations have the advantage that while following a similar line of questioning as in the in-depth interviews, the former are flexible, less formal and do not require the lengthy preparation, often associated with interviews.

Informal conversations were conducted with a large number of local people while travelling between the different places and waiting at bus stops, in the administrative offices while waiting for the interview sessions. However, of great significance were considered the conversations with 'gatekeepers' (20 in total), which included individuals of influence and experience. Typically, these people would know 'what happened' because they would have occupied strategic position, but would not be able to provide an in-depth account of the actual reasons behind the specific decision(s): they would provide the liaison(s) with the individuals from their network who (in their views) had the relevant knowledge and experience. Still, such conversations proved invaluable because from their strategic position, the 'gatekeepers' were able to suggest the major themes which were important in understanding the phenomena studied.

- ***Direct observation***

Observation was used as a within-method technique to corroborate the evidence from the semi-structured in-depth interviews and assist with the inquiry line. Direct observation is an essential element of all qualitative studies and a recommended method for gathering information, especially combined with in-depth interviews. Direct observation provided first-hand involvement in the social world under study and allowed the corroboration of the information. Direct observations were made

throughout the ‘site’ visits to the city of Varna, the town of Balchik, the villa zones, the resort complexes of Golden sands, St. Constantine, Riviera and Albena, and the golf resort complexes near Balchik.

Observational evidence is useful in providing additional information about the topic of the research and adding new dimensions for understanding the case being studied. For instance, in the study of physical development, the observations are valuable in conveying important case characteristics to observers from outside (Dabbs 1982, in Yin 2003; Bryman 2008) and gaining another perspective on the evidence derived from the interviews. Road infrastructure was missing in an area where public officials’ claimed that the roads were in a good condition or a massive four-star hotel was built on the coast, where only light constructions were permitted and interviewees had kept back such information with the reasoning that this was not a new construction but upgrading of an existing hotel. Photographs taken of the site, in particular, are considered important supporting evidence. However, experience demonstrated that such an activity in certain sites was restricted, for instance access and all activities in some integrated resorts was controlled, while in other places taking meaningful photographs would have been possible only from the air because of the high density of building and high-rise construction.

Another type of observation conducted was that of the behaviour of the interviewee. Often during breaks, before and the interviews, interviewees displayed a different perspective of ‘self’ from their official, controlled ‘self’ during the interview. In addition, this interviewer often spent hours waiting in front of the interviewees’ offices, which provided an excellent opportunity to observe the day-to-day activities in the institution and the person to be interviewed, to overhear office talk and even attend conflict situations, which sometimes raised ethical dilemmas.

Observation was appreciated as a method which allowed this researcher to immerse in the settings, experience as the participants did the reality of the ‘present’ and learn directly from own experience.

3.4.2.4 The interview guide

The semi-structured interview allowed the exploration of the participants’ perspectives on general themes within a past-present frame (Appendix 13). Clarification was ensured through the use of follow up questions. Interviewees were asked to state over what period and in what context they had

been involved in the tourism development on the Northern Black Sea Coast; what did ‘tourism development’ mean to them; if they could distinguish periods in the tourism development on the Northern Black sea coast from 1989 to the present day. Then interviewees were asked to talk separately about each of the periods they identified, in which they have been personally involved in decision-making.

Interviewees were asked to describe:

- tourism development on the Northern Black Sea coast during each specific period and to state their personal involvement;
- whether there was a tourism policy and what were its objectives, and if there was no tourism policy, why not; whether tourism development was regarded as a part of the general development or separately and why;
- who (international/ national/ regional agencies, individuals, companies, or NGOs) played a major role in determining the type of tourism development;
- in what ways was the type of development related to the current tourism policy or priorities in the general policies;
- in what ways the situation in the country reflected on the type of tourism development in this period;
- what were the barriers to tourism development in this period;
- what were the successes of tourism development in this period; could anything have been done in a different way and in what way(s);
- whether and in what ways did the tourism development of this period determine the development in the next period.

After examining in detail the periods in tourism development on the Black Sea coast, all interviewees were asked to:

- describe the current (as of 2009) state of tourism development in respect of the environmental, economic and social aspects;
- suggest actions that should be taken next by the different interest groups;
- explain whether they were aware of the issues of sustainability and whether there was a need for a sustainable development policy and actions.

At the end of the session, all interviewees were asked if there was anything else they considered important and relevant to the topic of the interviews.

3.4.2.5 Data analysis

The approach selected for analysing interview data was thematic analysis and the *Framework* strategy in particular. Academic literature (Ritchie and Spencer 1994, p. 173-194; Bryman 2008, p.554-555) defined *Framework* analysis as matrix-based method for ordering, synthesizing and interpreting qualitative data. The choice between the *Framework* and other analytic strategies, such as grounded theory, discourse analysis, content analysis and narrative analysis, was made on the basis of the specific features of the model, which help to achieve the specific aims of the research - to map the range, nature and dynamics of tourism development on the Bulgaria's Northern Black Sea coast, and to seek explanations for what has happened from the decision-makers.

The analytical process went through the stages of familiarization with the data, identifying a thematic framework, indexing, charting, mapping and interpretation (Ritchie and Spencer 1994, p.178). The thematic framework was constructed by 'drawing upon a priori issues (those informed by the research aims and introduced into the interviews via the interview guide), emergent issues raised by the respondents themselves, and analytical themes arising from the recurrence or patterning of particular views or experiences' (*ibid.*). The present research studied the world views (experiences, attitudes) of different groups, therefore common indices were developed for the business sector, the public sector and the NGOs, and for each 'period' in tourism development (as defined by the study participants) in order to allow comparisons.

The data analysis is a critical issue in a qualitative research therefore a more detailed account is provided in Chapter 6 (sub-section 6.2.3.) as to how the themes were identified, what steps were

followed, what technical approach was used in absence of a software that allows simultaneous operations in two languages, how the issues of transcribing and translation were addressed.

3.5 Conclusion

This chapter sought to explain why a qualitative approach and a case study research strategy were adopted to study the tourism development of a coastal tourism destination in the context of political and socio-economic transition. A substantial amount of rich primary data was collected during this study, which involved 38 semi-structured in-depth interviews with 24 research participants, 20 informal conversations with ‘gatekeepers’ and a large number of conversations with local people.

The next two chapters present the research finding from the primary and secondary data.

CHAPTER 4: OVERVIEW OF TOURISM DEVELOPMENT ON BULGARIA'S NORTH BLACK SEA COAST

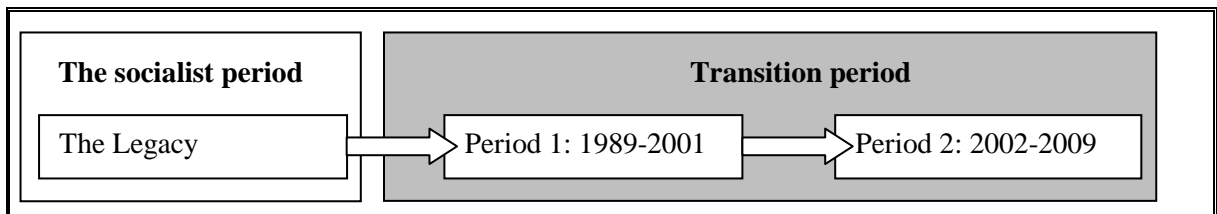
4.1 Introduction

The two chapters that follow present the results of the research data analysis, starting with ‘*what happened?*’ (Chapter 4) and then moving on to ‘*why it happen?*’ (Chapter 5).

The aim of Chapter 4 is to set the context for the research through the eyes of the study participants corroborated with the available documentary evidence. The chapter starts by discussing the perceptions of tourism development and sustainability in the destination. Then it analyses the transformation of tourism over the period studied, breaking it into two sub-periods.

Period 1 looks into the 1990s (1989-2001), when the bulk of the tourist assets were restructured and privatised. Period 2 is concerned with the 2000s (2002-2009) when following the privatisation of the state tourist assets tourism development took different trajectories. Adopting the *path-dependency path-creation* approach called for the introduction of one more period, which for the sake of clarity was named *The Legacy* as it covered the decades preceding the transition (pre-1989). The introduction of the socialist Legacy period, though bringing some confusion, was necessary in order to illustrate the inherited institutional legacies which were reworked by the social forces in Period 1 and Period 2 (see Fig. 15). While this research focuses on the transition periods (Period 1 and Period 2), in order to answer the *why* research questions, the study had to investigate what exactly was the Legacy at the starting point of transition.

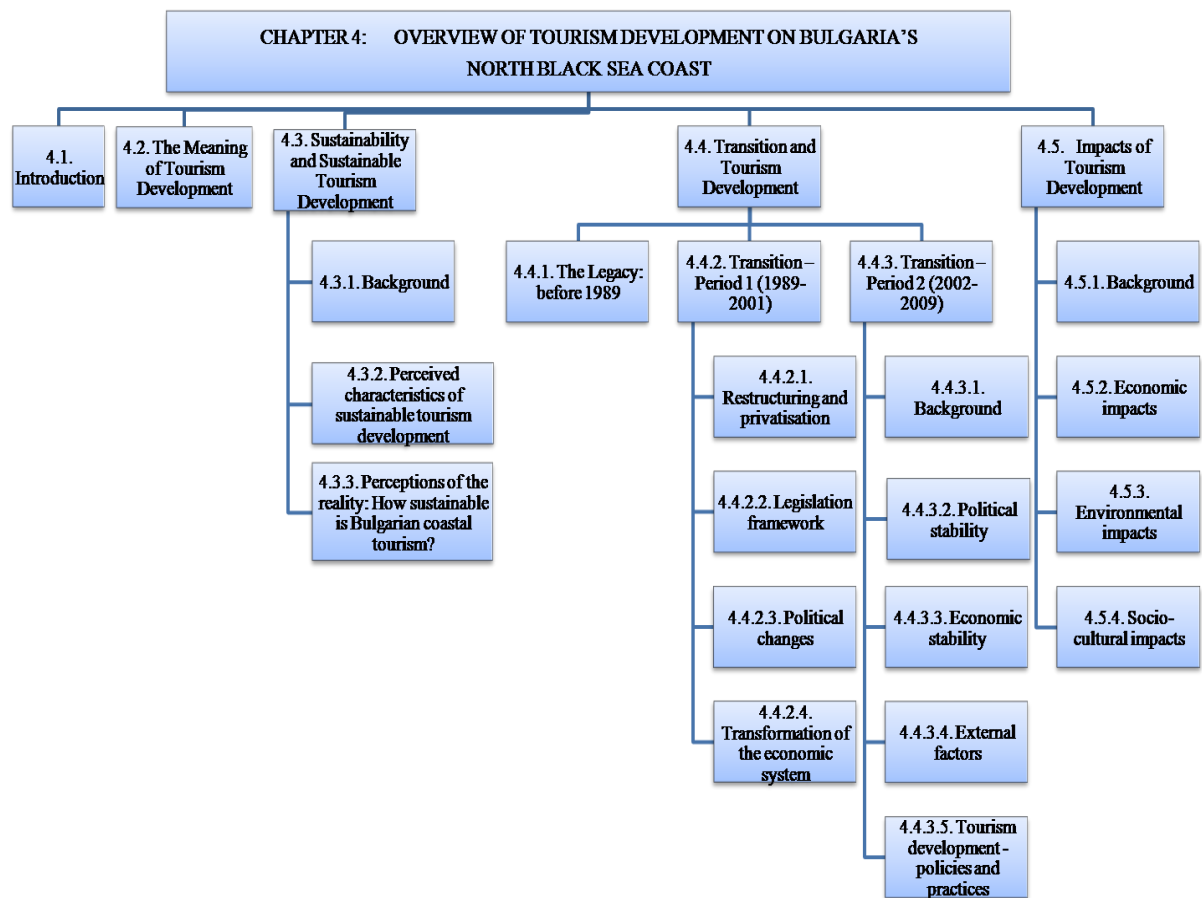
Figure 15. Periods studied



This chronological framework, initially suggested by the literature review and the documentary data analysis, underwent modifications to accommodate the views of the study participants. In its final version, it was based on the dominating form of property rights at the time. Lastly, the chapter discusses the impacts of tourism development in the destination studied, as perceived by the interviewees and reflected in official documents.

The general structure of the chapter is presented in Figure 16 below, in which the numbers correspond to the relevant sections and subsections.

Figure 16. Structure of Chapter 4



Throughout Chapters 4 and 5 the public sector study participants are referred to as the PS

participants, and the business and NGO sector participants are respectively referred to as the BS and NGO participants.

4.2 The meaning of tourism development

In the study of the policies and practices of tourism development and the implementation of the principles of sustainability in the development of a tourist destination, it was felt that an analysis should be undertaken of what meaning the study participants attached to the terms *tourism development* in order to set the boundaries of what they would be talking about. Therefore, the data analysis started by exploring the range and diversity of the terms across all accounts and searching for associations across the data sets.

The interview accounts suggested that the study participants were divided in terms of the meaning they attached to *tourism development* on Bulgaria's North Black Sea coast. Most of the participants perceived tourism development over the last two decades as a transformation and development of the whole tourism system within the wider socio-economic and political changes in the country:

The tourism development is related to the development of the territory, I want to emphasise on this. Also, I do not view development only as evolution, as moving forward - this should be kept in mind. Tourism development [in Bulgaria] had a lot of aspects. It is, of course, development of the territory and there are so many examples, including, regrettably, on the North Black Sea coast - places I never imagined that could be developed to such an extent. It is also manifested in the development of the product, staff development, development of the non-governmental sector, the expansion of the organisational structure. And ... of course, in terms of policies – decentralisation of decision-making that are of such importance for the local development ... some of them were realised through the legislation, for instance the duty to prepare annual programmes for tourism development at the municipal level and so on, and so forth. This is what 'tourism development' means to me – multi-aspect, multi-planned, and related to the development of the territory, not only strictly a development of the sector.' (PS4)

[Tourism development encompasses all] activities related to the livelihood of the locals, the protection of the environment, a quality tourist services and additional processes in the field of construction, transport and all others that go along. (NGO2)

Some respondents focused on the tourism product:

[Tourism development] relates to the development of the tourist facilities and the development of the tourist product in its entirety over the years. (BS6)

... [D]evelopment of the tourist product, of which the expansion of hotel facilities is only a part. (BS8)

Tourism is the development of the golf product; this is the real development (BS7)

According to one respondent, tourism development was manifested in privatisation (BS1). Others viewed tourism development as:

... sustainable and harmonious development, increasing not only the quantity but also the quality ... (PS7)

... [N]owadays we regard tourism development as sustainable tourism development... (NGO1)

Only a few informants admitted that the actual transformation constituted exclusively the expansion of accommodation facilities.

... [S]patial expansion – this is all we have done over the last years. (BS10)

...[P]hysical development of tourist superstructure and expansion of accommodation facilities (PS6.)

According to most participants, the trajectory of the development of tourism could be understood only if approached as a transformation of the whole tourist system as opposed to the narrow approach of exploring the physical expansion of facilities and spatial spread of development. Logically, perhaps, the views of the different stakeholders corresponded to the priorities in policy-making during the periods in which they were involved in decision-making.

There was a general agreement that over the period studied (1989-2009), in spite of the many efforts to upgrade the north Black Sea coast and introduce new tourist products, the expected shift away from mass tourism to alternative forms of tourism and moving upmarket did not materialize. On the contrary, the dependence on mass tourism deepened, transforming the coastline into a ‘concrete wall’ (BS3), described by the participants as ‘overdeveloped’, ‘urbanised’, ‘completely unsustainable’(BS1). Ironically, most respondents united around the view that the physical expansion of facilities (typically referred to as ‘overdevelopment’) was the worst outcome of tourism development but also its greatest success (BS9). The business sector participants noted that the trajectory of development had taken an unexpectedly unfavourable turn. However, they were less critical of what had happened than the public and non-governmental sector interviewees.

The difference in the meaning of ‘tourist development’ attached by the different stakeholders suggested that there was no consensus among and within the stakeholder groups as to what the term constitutes and what were and what should be the priorities of the policy-making. The interview data and the documentary evidence analysed (see Appendices 10, 11, 18 and 19), suggested that policy-making with regard to tourism development was largely determined by the general transition situation. These evolved from the change in property rights to laying the foundations of the general legislative and regulatory framework in tourism, followed by a focus on upgrading the accommodation facilities, product diversification, including alternative to mass tourism forms, and finally, environmental upgrading and regulation of all construction on the Black Sea coast (2007-at present).

4.3 Sustainability and sustainable tourism development

4.3.1 Background

The terms ‘sustainable tourism development’ and ‘sustainability’ were used by all respondents interchangeably. According to some of the informants, there had been an awareness of the concept of sustainability at the national level since at least the mid-1990s.

We might be lagging behind in implementing the principles of sustainability but at that time [second half of the 1990s] the issues of sustainability were discussed many times, not once nor twice. We had a work group consisting of [officials of] the tourism institution, the Ministry of Environment and the Ministry of Regional Development. Together we worked on a common document of a National Strategy for Sustainable Development [...] then our term was over and I am not aware of any progress made. [...] The idea for writing a strategy for sustainable development of tourism is a long-term one. (PS4)

The United Nations Development Programme (UNDP) project documentation found that:

The Government of Bulgaria confirmed its commitment to the principle of sustainable development at the United Nations Conference on Environment and Development in 1992. Most government agencies now include a commitment to sustainable development in their policy statements. However, most still lack concrete action plans identifying how they will pursue their commitment to sustainable development (UNDP Capacity 21, 1997-1999, p.8).

In order to assist with setting the institutional framework and capacity building for sustainable development, in 1997 the government together with the UNDP launched the *Capacity 21* projects. The 1997 -1999 *Capacity building* project (ibid.) established a National Commission for Sustainable Development in order to assist the country in integrating the environment, economic and social equity concerns into the national development. The Commission was expected to guide the development of a national sustainable development strategy and to encourage the dialogue across ministries and between the government and NGOs.

It was acknowledged that by undertaking the project,

[T]he Government of Bulgaria confirms its commitment to sustainable human development principles as expressed through Bulgaria's active participation in and support for the UN Conferences on Sustainable Development (Rio de Janeiro, 1992), on Fighting Poverty (Copenhagen, 1994), on Women in Development (Beijing, 1995) and on Human Settlements (Istanbul, 1996) (UNDP 'Capacity 21' 1997-1999, p.1).

The project documentation of *Capacity 21* and the other national documents (see Appendices 10 and 19) recognised that at the national level Bulgaria had developed environmental policies in the early 1990s. In 1992 the Bulgarian government adopted a National Environmental Action Plan (NEAP) based on the Environmental Strategy Study carried out with the assistance of the World Bank and the US Government. Despite the progress made in developing the legal and regulatory framework, the implementation of the NEAP was slowed down by delays in launching the reforms in privatisation and the decentralisation of responsibilities to local government. At the same time, the socio-economic conditions in Bulgaria deteriorated significantly and in the mid-1990s Bulgaria registered the most dramatic decline in living conditions since the beginning of the transition (UNDP 1996). In the light of this situation, the Bulgarian Government and the UNDP programme defined poverty alleviation and sustainable livelihoods (job creation) as a primary objective. Success in these areas was seen as “an absolutely necessary condition for achieving sustainable development in Bulgaria” (UNDP ‘Capacity 21’ 1997-1999, p. 2).

The documentary analysis revealed that although Bulgaria’s north Black Sea coast and the destination studied were not in the remit of the Capacity 21 pilot projects, it has since 1995 benefited from a number of government projects, including:

- GEF Programme on the Environmental Management and Protection of the Black Sea - designed to strengthen and create regional capacities for sustainable management and protection of the Black Sea ecosystem;
- Black Sea Ecological Monitoring Programme - designed to create capacity in the Varna region to monitor oil contamination of the Black Sea and to facilitate the networking with international institutions;
- Sustainable Varna Project, 1995-2000;
- Rehabilitation of Varna wastewater plant, 1997-1999;
- Implementation of unified system for state port control for the six Black Sea countries;
- General Territorial Development Plans for the coastal municipalities, including separate plans for the coastal resorts, 1997 (proposed, not implemented);

- Construction of a waste water treatment plant and sewerage system in Balchik town (2002-2009);
- Finalising the construction of coastline protection dyke Albena-Balchik (2006-2009).

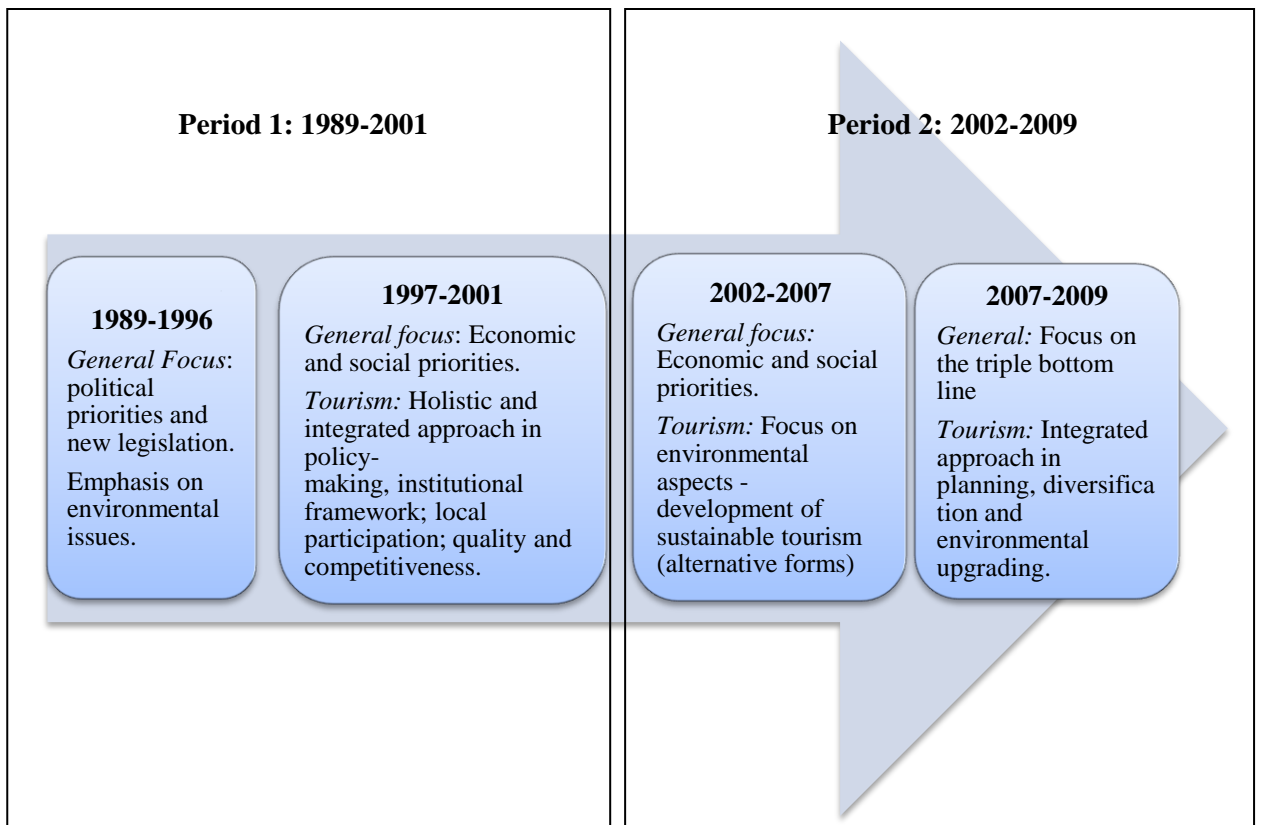
The documentation presented by Bulgaria's government at the Johannesburg Summit 2002 reported progress towards implementing the principles of sustainability under all 40 chapters of Agenda 21, except for *Combating Poverty, Demographic Dynamics and Sustainability, Managing Fragile Ecosystems, Financial Resources and Mechanisms* and *Science for Sustainable Development* (Johannesburg Summit 2002). The document also provided information on advances towards developing sustainable tourism which focused on alternative (to mass tourism) types of tourism.

The environmental concerns resulted in a commitment to sustainable tourism through the adoption of a National Ecotourism Strategy (2004). It was only after 2004 that, at the national and local levels, the need for an integrated approach to sustainability was acknowledged and manifested in a set of measures. These were:

- developing national strategic documents for sustainable development of tourism (2004-2006) and the approval of a national tourism strategy in 2009 after a long consultation period;
- the Black Sea Coast Act restricting construction on the coast;
- sustainability was considered an overarching principle in the regional (district) development strategies and tourism was seen as a priority sector in achieving sustainability;
- five to seven year plans for sustainable development of Balchik (2005-2013) and Varna (2007-2013) with a focus on tourism and strategies for sustainable tourism development.

The foci of the general and tourism-specific public policies with regard to sustainability and sustainable development shifted dramatically over the period studied (see Figure17 below).

Figure17. Foci of general and tourism-specific public policies with regard to sustainability and sustainable development, 1989-2009.



4.3.2 Perceived characteristics of sustainable tourism development

The characteristics of *sustainable tourism development* which emerged across all interview data are set out below reflecting the frequency with which these appeared in the data:

- Integrated policies for (sustainable) tourism development and government strategy and regulation (9 respondents)
- Long-term land-use planning (8 respondents)
- Diversification of the tourist product (6 respondents)
- Preserving the environment (4 respondents)

- Balance between the economic, environmental and social aspects of development (3 respondents)
- Quality of the tourist services (2 respondents)
- Involvement of all stakeholders (local participation) (2 respondents)
- ‘A waste of time’ (2 respondents)
- Has no opinion (2 respondents)
- Clear ownership rights (1 respondent)
- Sustainable markets (1 respondent)
- Adequate infrastructure (1 respondent)
- As defined in the EU funded projects (1 respondent)

As evident from Table 8 below, the study found that the views of different stakeholder groups differed as to what the characteristics of sustainable tourism are. The characteristics are listed in terms of in how many accounts they appeared, with those given more weight coming at the top of the list.

Table 8. Top characteristics of <i>sustainable tourism development</i> identified by respondents from different stakeholder groups		
Public sector group	Business sector group	NGO/trade associations
<ul style="list-style-type: none"> • Integrated policies for (sustainable) tourism development and government regulation • Long-term land use planning; 	<ul style="list-style-type: none"> • Preserving the environment; • Long-term land use planning; • Integrated policies and government strategy; • Balance between economic, environmental and socio- 	<ul style="list-style-type: none"> • Long-term land use planning; • Preserving the environment; • Diversification of the tourist product; • Involvement of all

<ul style="list-style-type: none"> • Diversification of the tourist product; • Quality of tourist services; • Balance between the economic, environmental and socio-cultural aspects of development; • Clear ownership rights; • Sustainable markets. 	<ul style="list-style-type: none"> cultural aspects of development; • ‘A waste of time’ • No opinion • Diversification of the tourist product; • Infrastructure; • Involvement of all stakeholders. 	<ul style="list-style-type: none"> stakeholders (local participation); • As defined in EU funded projects.
--	---	--

The prevailing view of *sustainable tourism development* was associated with *integrated policies for tourism development (government strategy and regulation) and long-term land-use planning* came first on the lists of the public sector (PS) participants. The PS informants argued that sustainable tourism development was further characterised by the diversification of the tourists product (away from mass tourism), raising the quality of tourists services (low quality of service emerged as a serious issue), achieving balance between economic, environmental and socio-cultural aspects of development, sustainable markets (stable flows of tourists), and, finally, clear ownership rights (this, as a critical issue, related to most infrastructure projects and companies, as well as to the heritage sites) (see Table 8 above).

An important issue for the BS and NGO participants was *long-term land-use planning and preserving the environment*. The informants acknowledged those as the most acute issues in recent years and the cause for ‘overdevelopment’ on the Black Sea coast. The PS interviewees suggested that the concern for physical planning within the Business sector (BS) and NGO sector emerged only when the investors realised that any further construction would be against the interests of the trade (PS6). The need for *integrated policies for (sustainable) tourism development and government strategy and regulation* came third in order of importance for the BS respondents, while the NGO respondents did not mention it at all. Seen in the context of the data, this may be interpreted as a lack of trust in government policy-making and the contention that “we never lacked policies and regulation acts, the problem was that they have not been implemented” (BS2). While the BS

participants emphasised the balance of all aspects of development and the diversification of the product (*ibid.*), the latter was related not so much to the alternative types of tourism, but to the upgrading of the mass tourism product and the introduction of new types of mass tourism products, such as golf, yachting, spa and wellness.

The views of the ‘big business’ respondents varied from branding the concept of sustainability as ‘a waste of time’ and ‘lip-service’ (BS8) to declaring a high level of commitment to the concept (BS1, BS2).

This research found that the level of scepticism correlated with the length of involvement in decision-making. It appeared that the sustainable-tourism-development-sceptics among the interviewees were involved in decision-making for over two decades, while the ‘optimists’ got involved at a recent stage. As one of the ‘optimistic’ informants put it:

We have seen what happened in other places and we do not want to repeat the experience of the others, we are upgrading existing hotels and building new high quality hotels, but everything is being done in stages, according to our master plan, and we are working on modernisation of the infrastructure too. (BS2)

It was also indicative that most of the business and NGO respondents equate the concept of sustainability exclusively with *preserving the environment* - this is consistent with the current perceptions that the natural environment along the coast is under threat.

4.3.3 Perceptions of the reality: How sustainable is Bulgarian coastal tourism and who needs sustainability?

The data analysis revealed a contradiction in attitudes and prevailing public image. The sustainability-sceptics co-owned and ran the big business, which was given as an example of a positive practice by most informants and gatekeepers: “When we talk of sustainable tourism development and preserving the territory, we talk of Albena” (PS6). At the same time, the interviews of decision-makers revealed a difference in attitudes of those involved in the 1990s, when the resort was restructured and privatised, and those who got involved in the 2000s, when the resort was a private property. Informants involved in decision-making in the 1990s shared much more pro-sustainability views, explaining this in the following way,

Tourism development in transition economies: an evaluation of the development of tourism at a Black Sea coastal destination during political and socio-economic transition

*You will not find our views [on sustainability] in our strategies. It was like a philosophy - we **knew** we have to do this [preserve the territory, hire local staff, use local suppliers, etc] because it was good for the business. (BS9)*

The data showed that although the priorities of the company changed in the 2000s it preserved its image of an “environmental oasis among all the overdeveloped resorts” (NGO1).

The data further suggested that, in general, Bulgaria’s coastal tourism was perceived as non-sustainable (described as ‘utterly unsustainable’ in many accounts). Most respondents believed that the cause for the current state of matters (‘unsustainable turn of development’) was a result of the inadequate involvement of the state, which was demonstrated through the lack of policies, regulation, adequate planning and building control, lack of stimuli for the all stakeholders to preserve the environment. Even local empowerment, which was a focus of the 1991 legislation (at the very beginning of the transition) and more decisively after 1998, instead of preventing overdevelopment, had practically unleashed development to ensure the prosperity of the local communities. While the government policies of the 2000s in general focused on the development of alternative types of tourism, the reality seen by the study participants was different – the new, alternative forms of tourism did not prove viable and the destination was seen as more and more dependent on the tradition mass tourism.

Most PS participants at the local level demonstrated a firm conviction that tourism was being developed in a sustainable way because, in their view, they had supported their commitments with relevant actions in providing road and sewerage infrastructure, coast protection works, planning of the territory and zoning for the purpose of tourism and diversification of the tourist product. According to the interviewees, this had to be done because the livelihood of the local community depended on tourism. It should be noted that these decision-makers were involved in the running of the smaller of the two administrative units (municipalities) which constitute the destination studied. This suggested that the issues of sustainability were much better accepted and implemented in smaller municipalities, which were largely dependent on tourism, than in larger municipalities with a more diverse economic structure.

While the local level PS decision-makers felt that advances to sustainability were made both in policy and practices, PS decision-makers at the national level united around the conviction that

things are done in a formal way and there was still a long way to go to make the transition from policies to practices:

My view at that time, and I have not changed it, was that sustainability had to be considered a part of the [...] whole economic development.[...] In my opinion, tourism is not integrated in the general policies at the national level... especially when issues of great significance are concerned, such as infrastructure [development] ... somehow the issues of sustainability remain neglected ... I am referring to the national policy. (PS4)

... [The National Strategy for Sustainable Tourism development] is just a piece of paper – we cut and pasted bits and pieces from different documents and duly acknowledged their ‘authorship’. Now they cannot criticize the document, as they always do, because their names are written underneath. (PS3)

Such a top-down approach of the national tourism authorities to working on national strategic documents could not accommodate the principles of wide participation of all stakeholder groups in policy-making.

On the other hand, the BS interviewees were not aware of any efforts made at the national level towards implementing the principles of sustainability until the last few years. Most of them were acquainted with National Strategy for Sustainable Tourism Development (2008-2013) but were firm that “... this strategy has nothing to do with reality” (BS1). Some BS interviewees were sceptical about the feasibility based on past experience,

Brilliant idea but it is crucial who will implement it and how. Because if it is done the way things have been done until now ... [it will not be implemented at all]. (BS7)

Other BS participants showed no awareness of such a strategy:

I have not heard of this [national strategy for sustainable tourism development] strategy and I can assure you that [the CEO] has not read it either. (BS8)

The dominant view among decision-makers was that policies for *sustainable tourism development* were needed. However, there was a firm belief that the concept of sustainability was not understood

by ‘the others’ and sustainability may be desired but not achievable in the context of Bulgaria’s coastal tourism.

4.4 Transition and tourism development

4.4.1 The Legacy: before 1989

As explained at the beginning of the chapter, the analysis of the transition context employed a two-period framework. A third period, *the Legacy*, was introduced in compliance with the adopted *path-dependent path-creation* approach. This distinction between *The Legacy* (before1998) and *Transition (after 1989)*, on the one hand, and the two sub-periods of Transition (1989-2001 and 2002-2009) were suggested by the majority of the study participants as the most appropriate way to study and understand the nature of tourism development on Bulgaria’s Black Sea coast.

Most of the study participants were involved in tourism development before the transition changes and their stories typically adopted the ‘before’ and ‘after’ approach. There was a clear consensus among them that the pre-1989 institutional legacy had determined categorically the developmental trajectory of tourism on the north Black Sea coast through ‘centralisation’ in its different guises.

It was acknowledged that the pre-1989 state centralised policy and planning for development of mass tourism on the Black Sea coast influenced the post-1989 development model of concentration and overdevelopment through building specialised, purpose-built resorts in previously undeveloped areas on the coast. The centralised planning system before 1989 had determined the dependence on low-budget mass tourism and made it difficult to adapt the existing ‘integrated resort’ model to the new market realities after 1989. Three of the senior governmental officials interviewed noted that the size of the companies, as well as their (often) poor condition, were some of the most important obstacles which put off potential investors and influenced the process and outcome of privatisation. Respondents were of the opinion that it was this special concentration of accommodation facilities in the few large resorts, with capacities of between 1,500 and 20,000 beds in one place, which had determined the subsequent concentration of privatisation and investment interests in these already developed areas. Most interviewees’ accounts revealed that the initial state policy for tourism

development was not supported by a follow-up upgrade of the tourist facilities, implying that tourism development was used as a foreign currency earner in order to develop other sectors of the national economy. On the other hand, it was also recognised that,

*Before 1989, the concept for tourism development might have been inadequate and irrational; however, it was better than anything done after that because at least **there was a concept**. (BS10)*

There was a general agreement that the centralised management of the resorts limited the operational freedom and the enterprise spirit of the local management.

[A]bsolute centralisation with respect to marketing and sales [...] centralised financial system – all revenues went directly into the state budget (BS6)

It turned out that the centralised management before 1989 in practice limited the free spirit of the enterprise (BS2)

According to the majority of the respondents, the lack of enterprise culture partially predetermined the general level of inadequate decision-making behaviour in the transition decades. It must be noted, however, that, when speaking about their personal experience, most informants believed that it was their involvement in the decision-making before 1989 that equipped them with the necessary skills and contacts, thus determining their role later on.

Some respondents pointed out that tourism development before 1989 was supported by a large specialised network of academic and training institutions, tourism research institutes, training labs and in-house training centres, as opposed to after 1989.

Before 1989, there was a state policy for staff training and education: training hotels were established in Golden Sands resort. After 1989 the training hotels were sold by the educational institutions, demolished and high class hotels were built in their place. (BS2)

Informants argued that the integrated resorts were only formally within the local administrative structures but, in practice, they were not connected to or dependent on them. From the very beginning, the planning and development of all tourist facilities and infrastructure was done by the

central government with financing from the central budget, thus minimizing the interactions with the local authorities.

Many of the informants pointed out the positive role of the centralised planning system with respect to environmental control. There was a common agreement that in the pre-1989 decades tourism development was done in a planned and strictly controlled way, taking into account the carrying capacity of the territories designated for development, provided work for the local people and did not destroy the surrounding protected areas and natural reserves.

During the socialist period, with respect to the square meters of beach per one tourist bed ratio, our standards were higher even than the international standards, and regulations were strictly observed. (BS9)

*Before 1989, building control was executed only by 2-3 inspectors but **no one** dared not to abide by the law. (PS7)*

It was observed that, in the informants' accounts, the pre-1989 legacy was usually referred to with a focus on the negative aspects and only one respondent was of a view that,

If we had used our past experience in planning, the five-year plans, and had taken advantage of the know-how of all the foreign consultants in the 1990s, the tourism development would have taken a different turn. (BS2)

In summary, the majority of the informants saw the pre-1989 legacy in a negative light and united around the view that the inherited rules of the game and prevailing mentalities predetermined the subsequent trajectory of transformation of tourism in the destination studied and also within the context of the whole country.

4.4.2 Transition – Period 1 (1989-2001) - the period of state ownership

A large number of respondents (18 out of 24) across all stakeholder groups were able to provide invaluable information on Period 1, which covers the 1990s. This period was typically referred to by the respondents as 'before the privatisation', the 'state period of transition'.

A view which dominated the accounts of all respondents involved in the decision-making process at some time or other during the 1990s suggested that three major factors played a key role in determining the consequent developmental trajectory: (1) *restructuring* and *privatisation* of tourists assets, (2) the inadequate *legislative framework*, and (3) the *political changes*, which were only too frequent between 1989 and 1997. These are discussed below.

4.4.2.1 . *Restructuring and privatisation in the 1990s*

In the context of the tourism sector, *restructuring* was carried out in the 1990s as a necessary step to break the monopoly of the existing corporative-type of structure of tourist enterprises and to turn them into smaller units, attractive for privatisation. As BS3 and BS9 pointed out, the size of the pre-1989 resort companies was a huge issue as these would typically include a range of accommodation facilities of up to 30,000 beds, catering facilities, all resort infrastructure, maintenance, sports facilities, vehicles, travel agencies, training centres and additional souvenir manufacturing facilities, among others. Both PS and BS participants agreed that in the first years after the start of the transition (approximately by 1994), the bottom-up approach to policy-making was prevailing. Thus many of the decisions with regard to the restructuring and privatisation models were initiated locally and, although all assets were still state owned, the local managers were granted considerable operational independence.

Due to their inter-relationship, restructuring and privatisation typically went together in the respondents' accounts, as restructuring was considered a precondition for privatisation. However, privatisation and the privatisation models came top of the list as the single transition factor having a crucial impact on 'what followed next' on the north Black sea coast. For this reason, privatisation policies and practices are discussed in a separate section

4.4.2.2 *Legislation framework in the 1990s*

Within the range of transition factors the development of legislation came second in the respondents' accounts. Many participants pointed out that the whole legislation framework had to be rewritten in accordance with the national specifics, and this process resulted in a chaotic state of the legislative framework, constant process of amending Acts, new controversies, lack of coordination between the different Acts, most notably the Ownership Act (1990), Commercial Act (1991), the Privatisation Act (1992), and Restitution Act (1991, 1992), among others.

The legislation was so dynamic that the municipalities could only do their basic duties [...]The parliament was practically generating new laws almost every day, and these laws were being changed every three months (PS7).

Respondents recalled the sense of instability, due to the constantly changing general legislative framework. PS7 noted that only in 1998 did the Tourism Act define for the first time the main stakeholder in the tourism development and gave a special status to the local authorities with regard to tourism development.

4.4.2.3 Political changes in the 1990s

The recurrent theme of the *political changes* was seen as important by the majority of the BS and NGO participants. As most respondents recalled, the first government that stayed in power for its full term assumed office only in 1997, following a severe social and economic crisis. Between 1990 and 1997, there were seven cabinet changes, typically representing binary opposite opposing (socialist – free enterprise) ideologies.

The BSP party [1994-1997] was ideologically against the privatisation procedures, but it was realised that this just had to be done and in such a way as not to disappoint the party supporters [which in that period were the majority of the population]” (PS5).

The changes of political cabinets resulted in a constant change of government administration; change of government priorities and hence, of the rules of the game. One of the government officials at the time confided that there was no technical time for policies, all they could do was use all their professional expertise and contacts to solve acute problems on a piece-meal basis.

Maybe the cabinets should and could have done more with respect to developing policies but they were in power for such a short time they practically had no time for that. (BS2)

The descriptions of the 1990-1997 period include: ‘uncertainty’, ‘insecurity’, ‘chaos’, ‘constant changing of the rules of the game’. The majority of the respondents suggested that the political changes led to inconsistent policies in privatisation and delayed the transformation processes, which only deepened the severity of the situation.

4.4.2.4 Transformation of the economic system in the 1990s

The transformations in the economic system came only after the political and legislative changes, which is consistent with the specific period of the 1990s, namely the priority on political changes. Informants appeared split in terms of the weight of the different economic factors. The public sector participants gave more weight to the economic crisis in 1997, the measures imposed by the International Monetary Fund and the requirements of the expected EU accession, the budget deficit, which had affected all levels of government authorities. In additions to these, the 1997 bank crisis had a negative impact on the local authorities:

Although we were public sector authorities, there was no warning from the government that the banks would be closed down ..., no government protection, nothing. All the municipality finances were locked in the failed banks and this had a major impact ... These were very difficult, 'penniless' times (PS7).

As the BS participants suggested, the tourist companies were state-owned until 1997, so they did not have to deal with the impact of the bank crisis. Furthermore, even if some companies experienced a reduction in tourist arrivals, they all operated on the foreign markets and their profits originated in currency exchange rate and low costs. The introduction of the currency board in 1997, although acknowledged as beneficial for the whole economy, was not seen as favourable for the tourist companies,

If it hadn't been for the currency board, our salaries would have reached the sky, because we were paid in foreign currency and our expenses were in the national currency (BS8).

According to most of the BS respondents, of great concern for the business in the 1990s were: the inflation which influenced their cash flows; the shortage of food and general supplies, as this made their operation more difficult; the liberalisation of prices in 1991, which directly threw them in at the deep end; and the restitution claims on their companies, as those were a threat to the integrity of the companies they were managing (and, as it turned out, which they privatised later on).

4.4.3 Transition – Period 2 (2002-2009) - after the privatisation

4.4.3.1 Background

The research data showed that while the key words of Period 1 (the 1990s) were changes of ownership rights and privatisation in particular, legislation, political changes among others, Period 2 (the 2000s) were marked by political stability, which, in its turn, reflected into the stabilisation of the whole socio-economic system and facilitated the rapid tourism development on the Black Sea coast after 2001.

4.4.3.2 Political stability

Political stability came at the top of the lists of all three stakeholder groups as a positive change in the 2000s. There is a general agreement that governments lasted their full terms and much less social energy was spent on internal (party) struggles (BS9). While the majority of the study participants were positive about the general benefits of the political stability, most respondents stressed that the state demonstrated little involvement in tourism development. According to PS respondents the internal conflicts within and between government institutions resulted in an inability to develop a consistent policy, which, from the BS and NGO participants' point of view, was seen as a lack of vision at the national level for the tourism development, inadequate regulation, planning and control.

4.4.3.3 Economic stability

The informants from all stakeholder groups shared the contention that economic stability was a feature of the 2000s. The general opinion was that the decade was marked by much clearer rules of the game, compared to those in the 1990s, a stable bank system and availability of loans (again in contrast with the 1990s) and after 2007 - by the negative effect of the world financial crisis. Some business sector participants also commented on the favourable fiscal policy, which stimulated business growth and development (BS8).

Other business and NGO participants were openly positive about the state policies to encourage capital exported in the 1990s to be repatriated in the 2000s and consecutively invested in tourism development at home (BS9, NGO1). In addition, there was a general agreement that tourism development benefited largely from the liberal state policies on money laundering.

NGO1 suggested that in general the legislation and the general environment in the 2000s were more beneficial for the big corporate business than in the 2000s. This also may explain the domination of big businesses in the tourism sector, hence the views that a very small number of companies influenced the type of tourism development in the destination studied.

4.4.3.4 External factors

A theme that came again and again in most interview accounts was the influence of the external factors and institutions such as the International Monetary Fund's (IMF) restrictive requirements (present in the public sector accounts) and the EU accession (recurrent in most accounts across all stakeholder groups).

Many of the respondents related the influence of the IMF to the privatisation in tourism:

The IMF and the World Bank put pressure on the government to speed up the privatisation, to carry it out at all costs ... it was believed that things will somehow get better... on their own. (PS5)

Other respondents saw tourism as a 'scapegoat' (BS9). They recalled that in order to re-schedule the huge external debt, the external institutions required evidence of the commitment of the country to the economic changes such as rapid privatisation of state assets and tourism was sacrificed as one of the few profitable sectors that could attract investors in the 1990s .

It was acknowledged that EU accession had a huge impact on solving a major problem for the destination (and for the country) through securing the financial means for rehabilitation of road infrastructure, and building sewerage systems and waste water treatment plants. Most interviewees saw another positive outcome in the increased tourist numbers from Romania, as these compensated largely for the falling numbers in traditional markets. For the BS participants, however, EU membership resulted also in the migration of qualified staff, which, in addition to the inadequate labour policies, was seen as a major cause of the low quality of service. A few of the respondents also noted the increased investment interest in the Black Sea coast despite acknowledging that it was largely speculative and influenced by the investment trend on the UK market and the availability of bank loans for purchase of second homes abroad (PS1, NGO1).

4.4.3.5 Tourism development - policies and practices

The research data suggested that the changing political and economic situation in the country at the end of the 1990s and the subsequent stability in the 2000s (as discussed above) had a crucial impact on tourism development. The focus of the tourism policy-making shifted from restructuring, privatisation and regulation to quality upgrading of the product, diversification and environmental upgrading.

While in the 1990s the priority of policies and practices were allied with the privatisation of the large tourist assets in the integrated seaside resorts, the 2000s witnessed the complete upgrading and expansion of accommodation facilities first in the existing resorts and, after 2004, along most of the coast. Four different types of policy for tourism development and the respective practices were suggested by the majority of the participants as present in the 2000s. While three of those were present in all accounts across all stakeholder groups, a fourth one was suggested by the BS participants. The policies and practices of *product diversification* and *product quality* were both discussed by 21 (out of 24) respondents. 19 respondents focused on policies and practices of *environmental upgrading*. A theme which was distinguished largely in the business respondents accounts (8 out of 10) and confirmed by 2 public sector participants was the policy of *diversification of the company portfolio*.

- ***Policies for product diversification***

Different stakeholder groups attached a slightly different meaning to *product diversification* policies, which was manifested in the prevailing practices. The senior governmental officials emphasised the strategies of the first half of the 2000s, focusing on the development of alternative types of tourism in order to overcome the dependence on the mass coastal tourism. The outcomes of National Ecotourism Strategy (2004) and other strategies were seen by most PS participants as less than moderate,

alternative types of tourism are in infancy [as of 2009] (PS3)

The BS, NGO and PS participants at the district and local level also agreed that in spite of government efforts and funding from EU programmes alternative types of tourism have not been much developed in the destination studied and examples of rural practices were rare (PS7, PS8,

PS10). It was clearly stated that the destination holds a great potential in developing wine tourism, religious tourism, rural tourism, yachting, among others. However, in spite of the efforts of the stakeholders, these types of tourism were not popular and the dependency of the destination on mass tourism was stronger than ever (NGO1, NGO4).

All local PS informants, however, shared the perception that they had achieved the ultimate *product diversification* model for their municipality, represented by a combination of traditional mass tourism in the largest seaside resort on their territory; youth tourism in the village of Kranevo; and upper class golf tourism in two championship golf courses and resorts to the north of the municipality. The BS participants identified *product diversification* practices in the development of spa tourism, apartment hotels, sports facilities, and the all-inclusive and ultra all-inclusive holiday packages. Only one of the BS informants voiced reservations as to whether this was real *diversification* of the mass tourism product and, also, whether some of the developments met the requirements of the relevant type of tourism:

*... the steps which are being made at the moment are just half steps...This is an imitation of rural tourism – someone builds a hotel with a traditional tavern, a kiddie ground with swings and climbing frames, an artificial brook, etc....But this is **not** real rural tourism.(BS3)*

- ***Policies for enhancing product quality***

While participants were split in terms of the outcomes of *product diversification* policies, there was a general agreement across all accounts that *product quality* policies resulted in a massive upgrading of the facilities on the north Black Sea coast to offer 3 to 5 star accommodation of higher quality than in competing destinations such as Turkey, Greece, even Spain. The PS participants involved in the decision-making in the 1990s asserted that the policy of improving product quality in view of attracting high spending clientele was manifested in the privatisation policies and practices, whereby all investors, or else ‘privatisers’ were obliged to upgrade the properties (PS5). In the 2000s, the upgrading practices were encouraged by giving planning permissions for the expansion of the properties under reconstruction (PS6). In contrast to the PS informants’ claims, the BS and the NGO participants believed that the public sector can be given little credit for the actual

outcome of development and the subsequent upgrading of tourist facilities was explained with business common sense:

Even if the state hadn't included the upgrading of accommodation as a clause in the agreement, all businessmen would have done this anyway because they had to generate the money to pay for the privatisation deals ... and, anyway, the demand is for high category hotels. (BS6)

All participants agreed that the individual high quality accommodation facilities did not raise collectively the quality of the destination as

[T]he quality of the hardware [the facilities] has not been matched by the quality of the software [the tourist services] (BS10).

It was further suggested that while the businessmen invested in high quality accommodation, the state did not provide training and education of the staff, or labour policies that would stimulate both employers and staff to solve the problem of seasonality.

- ***Policies for environmental upgrading***

The *environmental upgrading* policy was seen as a response to what was perceived by all the respondents as the main threats to the natural environment on the Black Sea coast. These included urbanisation of the existing resorts at the expense of the green areas, exceeding the wastewater treatment plants' capacities in the urban territories, and lack of sewerage systems in the newly developed villa zones. All three issues received different weight in the account of the different stakeholders. The majority of the respondents commented on the public policies that aimed to stop the overdevelopment of seaside resorts with Ordinance 7 of the Ministry of Public Works and Development of 2004 and the Black Sea Act of 2008. Some of the BS informants considered the Black Sea Act as the only example of true policy-making and an attempt to regulate development (BS1). The majority of the participants, however, suggested that although this was a positive sign for changing political attitudes, it came too late. Although only one of the three large resorts in the destination studied was perceived as 'urbanised and overdeveloped', the issue was equally crucial for all study participants who believed that the negative image of the resort affects the image of the whole destination.

The deficiency of adequate infrastructure was a major concern of the local PS informants in the smaller settlements which lacked adequate water and sewerage facilities, as well as wastewater treatment plants even before 1989, and also in resort areas where hotel bed capacities doubled while the capacities of the wastewater treatment plants remained unchanged. In general, however, it was acknowledged that the large integrated resorts were equipped with adequate facilities from the beginning and, where the resorts were owned by a single owner, the expansion of the bed capacities was done alongside with expanding the infrastructure.

The third issue was related to the rapidly expanding villa zones all along the coast in the destination studied and, understandably, it was raised by the PS at all levels and the environmental NGO informants. According to them, the physical development in the villa zones in the 2000s doubled and tripled, but by law these zones did not have the status of urban area, hence the local authorities had no legal responsibility to provide sewerage systems or roads. In reality, the lack of sewerage and the construction density had already resulted in landslides, human casualties and closure of the main transport connection between the airport, main city and all the resorts. While local decision-makers admitted that this was a serious problem, they were also definite that it was not dealt with in any public policies, and, in practice, nothing was being done. A senior government official also confirmed that the environmental policies did not treat these issues:

[N]obody raised these issues; we do not talk about them at all. (PS6)

- ***Policies for portfolio diversification***

Finally, a recurrent sub-theme raised exclusively by the BS participants was related to the practices of the large businesses to diversify their company portfolios as much as possible by acquiring other businesses through privatisation or starting new businesses, often not connected to the core tourist activities. According to the informants, two major approaches to company portfolio diversification were distinguishable, depending on the size of the company and the vision of its managers. Two of the tourist companies in the destination studied started with the privatisation of tourist facilities of a whole resort or a selection of centrally located hotels, and then diversified their company portfolios. For instance Albena AD (sole owner and manager of Albena resort) preserved its core business but, in addition, acquired hotel properties all over the country and abroad, travel agencies, transport

companies; got involved in construction, airport concessions, flight companies, agriculture and agriculture produce, medical services, furniture and textiles companies, kitchen appliances, real estate and infrastructure among others. A similar example was provided by Golden Sands AD (Golden Sands resort), which turned the real estate and infrastructure into profit centres. The other three large companies involved in tourism development in the studied destination started from a business different from tourism: respectively construction, advertising, or as in the third instance, officially banking, chemical production, wheat trade and many others, unofficially underground business, racketeering, loan collection were in the process of legitimising the business. The first two developed and run the two championship golf courses and resorts and the third bought and run the third largest resort in the studied destination - St. Constantine resort.

BS informants who started from tourism and diversified into other economic activities explained that this was a *survival strategy*, as tourism was highly vulnerable to external and internal influences and unreliable as a single source of revenues (BS8, BS9). They believed that the diversification was an ongoing process in view of taking opportunities to buy properties with development potential in the privatisation and concession procedures (BS9). In contrast, the businesses that moved to tourism from other economic sectors had done so with the understanding that this was a profitable industry. However, they typically focused on high quality facilities and niche products (for Bulgaria), such as golf resorts.

4.5 Impacts of tourism development

4.5.1 Background

The previous sections and sub-sections discussed the perceptions of the study participants as to what exactly was going on in terms of policies and practices throughout the 1990s and the 2000s. The section below presents the outcomes of these policies and practices as seen by the study informants. Although the respondents belonged to three different stakeholder groups (public, business and NGO sector), their views on the impacts of tourism development suggested more similarities than differences.

The informants united around the view that due to lack of adequate research, and a flawed national statistics system, it was not possible to gauge the true extent of the economic, environmental and/or socio-cultural impacts. Most of the participants were unwilling to comment on this topic, stating that they were not experts or they did not have access to any official data. Most of them were the very people involved in policy-making and writing of the strategies. One particular informant, who was responsible for developing the district strategies for regional development (and tourism development in particular) between 1999 and 2009, admitted that they relied on the national press for publishing relevant statistical data. This researcher was warned on a number of occasions that the national tourism statistics were incorrect (“they adjust the methodology to show positive results” NGO1) and sole reliance on them would lead to flaws in the research analysis. This appeared consistent with the general perception of the study informants that government analyses and strategies “did not connect with reality” (BS1).

4.5.2 Economic impacts

The research data revealed a firm perception among all study participants that tourism development on the North Black Sea coast had not only had a significant economic impact on the local economy, but had also contributed to the national economy. “Tourism brings economic benefits” was a recurring statement in all interview accounts. Only the environmental NGO participant did not share this view. There was a general consensus that tourism development had played a significant role in pulling the whole national economy out of the 1990s crisis by being the first fully privatised sector that generated revenue despite the chaos of transition. This was particularly true for the destination studied as it has been a leading tourist destination. The list of economic benefits was topped by ‘boosting all related economic sectors of the economy’, followed by generating revenues for the state and local budgets, huge investments in the coastal municipalities, job creation in the construction business and increase of land prices (the latter considered entirely in a positive light).

At the same time, the local authorities’ participants questioned the direct economic benefits from tourism:

We [the local authorities] do not directly benefit much from tourism – only from the tourist tax, and it is only half of the amount we allocate from our budget to spend back on tourism.
(PS8)

As one of the local authorities respondents recalled, the boost of the local budget between 2001 and 2005 was fuelled by the millions invested in construction and the related revenues from issuing planning and construction permits, but not by tourism activities. The benefits from tourism were questioned even more openly in the larger municipality of Varna, where the views of a longstanding key PS decision-maker were summarised as:

[The tourism sector] is a ‘consumer’ of the local budget, rather than a contributor. (NGO1)

The prevalent view was that the economic effect of tourism development was far from the expected level and there was much more to be done in order to increase the economic benefits.

4.5.3 Environmental impacts

When asked to describe the environmental impacts of tourism development in the destination studied, the research participants referred to the *urbanisation* of the coast:

It is one whole concrete wall, starting from J. [Varna] and going all the way to the northern border. (NGO1)

This was consistent with the claims of the environmental analysis sections of local and national strategies and programmes. There was a general agreement that the holiday ambience deteriorated as a result of the intensive construction on the territory and the number of tourists from the traditional German, UK and Scandinavian markets have been going down since 2004:

A tourist in his right mind will not come here [to our resorts] (BS1)

It must be noted that although the issue of urbanisation was of general concern, it was related only with the Golden Sands resort. While the resort was referred to as the epitome of urbanisation in the destination studied, it was also acknowledged that the expansion of the hotel capacities did not affect the national park surrounding the resort, nor the buffer zone, owned by Golden Sands AD.

There was a firm consensus that two of the three purpose-built large resorts, Albena and St. Constantin were not affected because there was little expansion of the accommodation facilities on their territories and at the same time many investments were made in enhancing the infrastructure. Informants from all stakeholder groups referred to the two resorts as examples of ‘true sustainable tourism development’ based on the planned and integrated approach to all new development and not exceeding the carrying capacity of both resorts determined in the original development plans in the 1950s and 1960s. Most of the informants (including the interviewees from the resorts participating in the study) believed that such an approach was made possible by the privatisation of both places as whole units (as opposed to the *hotel-by-hotel* type of privatisation in Golden Sands resort) and the consistent policies of the new owner companies to preserve the territory while upgrading both accommodation facilities and infrastructure in stages. Not surprisingly, a few of the BS respondents suggested that the reasons behind the practices of the two companies were only a coincidence and not the result of company policies towards sustainability. In addition, the environmental NGO participant stated that the pro-sustainability image of Albena resort was only the result of a powerful publicity campaign, rather than a true commitment of the company.

The views of the PS informants ranged between “No one is proud of what happened on the Black Sea coast” (PS4) and the understanding that the perception of ‘overdevelopment’ and ‘urbanisation’ were very subjective and typical of those who did not want to accept that development meant a ‘change’ and matters could not be preserved as they had been in the past.

The study participants were divided in their views about what the specific environmental impacts were, and what was being done to prevent them. The differences in views stemmed from what constituted *tourism development*, as demonstrated in the first section of the chapter. With the exception of the PS (national level) informants and the environmentalists, all other study participants related tourism development to the former resorts and the urban areas, thus excluding the ‘villa zones’ along the coast. Thus the national level PS and NGO participants believed that the landslides activated in the 2000s came as a direct consequence of the tourism development. As is evident from planning documents, the north Black Sea coast has long been a landslide area. Taking into account the specifics of the terrain, all tourism-related construction before 1989 was done in an integrated way - adequate sewerage and wastewater treatment facilities were provided. However, this practice was not continued in the 2000s.

In contrast to the national level PS participants, the local level PS participants claimed that environmental impacts were not related to tourism development in the urban areas. They were confident that “all environmental issues have been taken care of” (PS8) and had a long list of large ongoing infrastructure projects in support of their statement. These projects, however, did not address the issue of the ribbon-like development of the villa zones along the coast. According to the local PS informants, these areas served primarily social functions:

[The purchase of these plots of land and the construction of second homes were allowed] because the local population had no other means of complementing their incomes in those difficult times [1990s]... but it turned to be a time-bomb. (PS7)

Two other local PS participants also admitted that the construction of small family hotels in the villa zones was initially approved by the local authorities in order to help the locals. However, as the informants put it, the construction took uncontrollable dimensions:

It is so, because all land plots had the same size, yet where before there was only one house, now there are two houses. People used it as an opportunity to downsize and sell the extra house (PS7).

At the same time, provision of any kind of infrastructure in those areas was not required by the Regional Development Act and as such was not provided.

Direct observation showed the properties in the villa zones catered mostly for tourists, yet, as they did not have the status of resorts or holiday areas, the environmental issues emerging there were not seen as related to the tourism development, which in its turn led to a distorted picture of the environmental situation reflected in the official reports.

4.5.4 Socio-cultural impacts

The socio-cultural impacts of tourism development was the least discussed issue – 8 out (4 PS, 3 BS and 1 NGO participants) of all 24 respondents stated that this issue was not applicable in the destination studied. This was consistent with the view that the purpose built, mass tourism resorts dominating the area were built out of the existing residential settlements in order to minimise the interaction between hosts and guests (especially those from Western Europe), thus minimising the

cultural impacts on the locals. The informants offered a unified view that tourism development on the north Black Sea coast over the period studied had no negative cultural impacts on the local community because this was a traditional holiday destination and the locals were very friendly and hospitable. One of the informants explained that:

The locals are in favour of tourism because they know where their bread and butter comes from. (PS8)

Only a few BS respondents suggested that the new, upper-class tourism developments, such as golf resorts and marinas would potentially have a positive impact on the mentality of the locals, change their perceptions of quality of service and improve their standard of living (BS5, BS7, NGO4). In contrast, the local NGO participants were convinced that golf developments have little impact on the local population, because,

The golfers are upper-class, they do not sit in our restaurants and pubs ... it is the mass tourists from Albena resort that travel around, not the golfers. (NGO3)

The informants found it difficult to identify the social impacts of tourism development in the destination studied. The BS participants complained that the millions in revenue coming from tourism into the local budgets were allocated to solve local social problems (unemployment benefits, subsidies for schools and hospitals) instead of being reinvested in tourism-related infrastructure. On the other hand, according to a PS informant, it was difficult to distinguish between the social improvements resulting from tourism development and those related to the general development of society (PS9). As PS7 explained, the difficulty stemmed from the fact that the millions in the local budget did not come directly from tourism activities, but from the issue of planning and various other construction permissions, which lasted only 3-4 years (2001-2005).

The current PS participants demonstrated a positive attitude towards the intensive development, taking the overcrowded town streets and the lack of parking places as a positive sign that tourism was gathering speed:

We had to provide underground parking in the city centre because X. is running out of space. We even considered the Park and Ride scheme, but this will not work here – the high

spending tourists want to park their cars in the very centre and if we want to keep them, we need to do what we need to do. (PS8)

4.6 Conclusion

This chapter has shown that tourism development on Bulgaria's north Black Sea coast between 1989 and 2009 was determined by the socialist institutional legacies and shaped by the social forces of transition. It went through fundamental changes of the whole tourist system in the turbulent 1990s: changes in ownership rights, establishment of new stakeholders (the business and the NGOs), the setting of legislative and regulatory frameworks - all of these processes taking place in the context of rapid societal changes. Once relative political and economic stability was established in Bulgaria in the 2000s, tourism development took a turn toward upgrading and expansion of the tourist facilities, product diversification, environmental enhancement and diversification of company portfolios.

The analysis presented also revealed that there were advances towards sustainability and sustainable development manifested in projects, strategic documents, legislation and institutional framework. However, in the 1990s these were hindered by the economic and social priorities at the national level; and in the 2000s, hampered by the economic priorities of the new stakeholders in tourism development - the local authorities and the business actors. The 'good sustainability practices' of the stakeholders were a result of common sense rather than purposive actions to implement the principles of sustainability.

The outcomes of the tourism development in the destination studied did not entirely meet the expectations of the different stakeholder groups. Behind the positive facade, the economic benefits at the local level appeared overrated, social benefits were difficult to allocate, while cultural impacts were not seen as an issue. The centrality of the environmental impacts was revealed through comparing the good practices to the bad practices in the destination studied. The perceived 'urbanisation' of the coast and the activated landslides appeared only partially attached to the tourism development of the 2000s, being rather determined by policies of shortage of financial funds, social priorities and environmental short-sightedness.

CHAPTER 5: TOURISM DEVELOPMENT AND THE POLITICAL, ECONOMIC AND SOCIO-CULTURAL TRANSFORMATIONS

5.1 Introduction

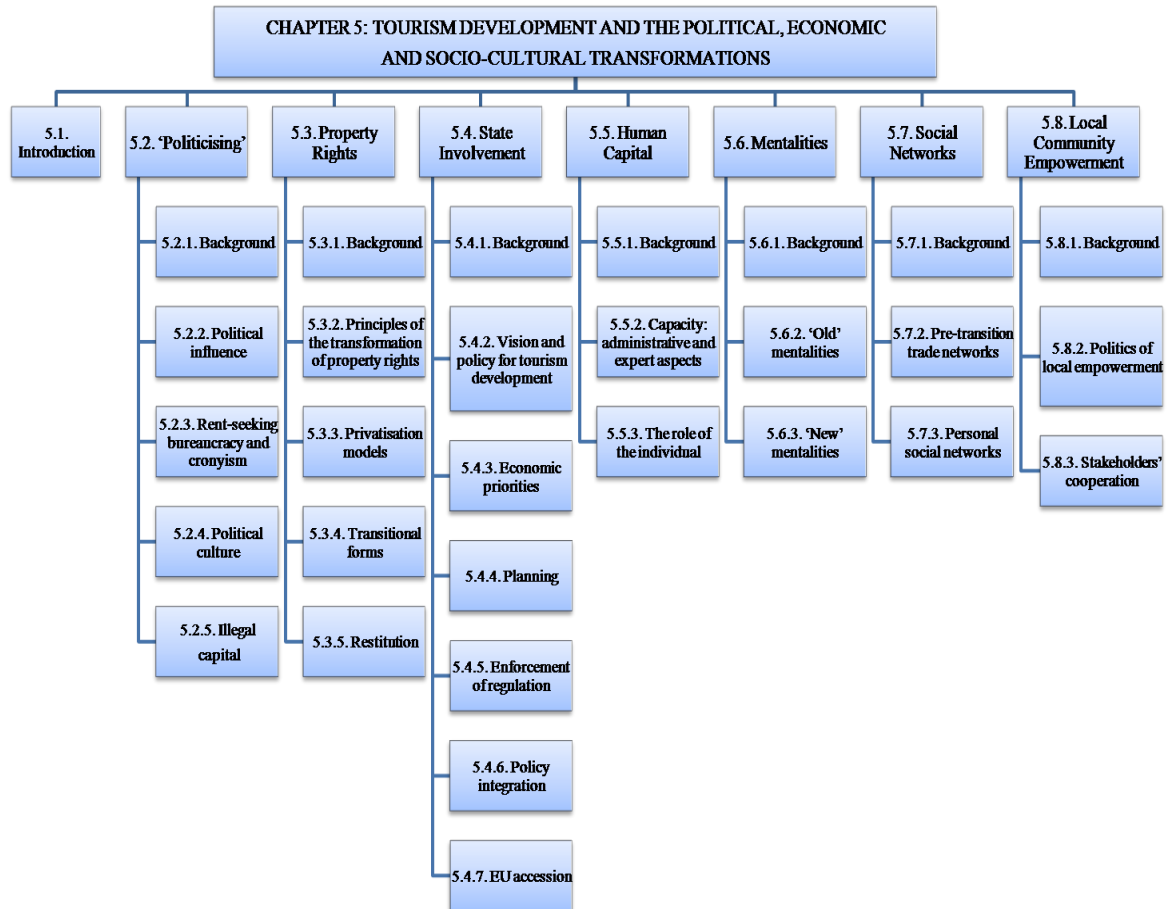
While the previous chapter described tourism development on Bulgaria's north Black Sea coast as seen by the study participants, validated by the available documentary evidence and direct observation, Chapter 5 deals with the social forces that shaped the trajectory of tourism development. It aims to answer the questions of *how and why this happened* and focuses on the political, economic and socio-cultural aspects of the transition to a political democracy and market economy. It deals consecutively with the interrelated themes that emerged from the data analysis. It discusses the influence of *'politicising'* on the transformation and development of tourism; *property rights*; *the role of the state* in tourism development; *human capital*; *mentalities* which had influenced the decision-making process, and the role of the *social networks* in the survival strategies and practices. The last section of this chapter introduces the theme of *local community empowerment* which is linked to the democratisation of decision-making in the country and is also considered (Cooper 2007) a sign of the actual advances towards implementing the principles of sustainability.

It must be noted that none of the themes alone can explain the trajectory of tourism development. All themes emerged as interconnected in the same way as the phenomenon of the transition cannot be understood properly without looking in-depth at its different aspects. By adopting such an approach this research was better equipped to capture the dynamic nature of tourism development in the decades studied.

The list of themes is far from exhaustive. Due to the limitations of the doctoral thesis, some of the themes such as *organisational structures*, *dependency and national stereotypes* were not included in the chapter and neither were some of the sub-themes of *mentalities* and *local empowerment*. The consolation was that this will allow a more detailed presentation of the selected themes, while the excluded themes and sub-themes may be included in other research papers.

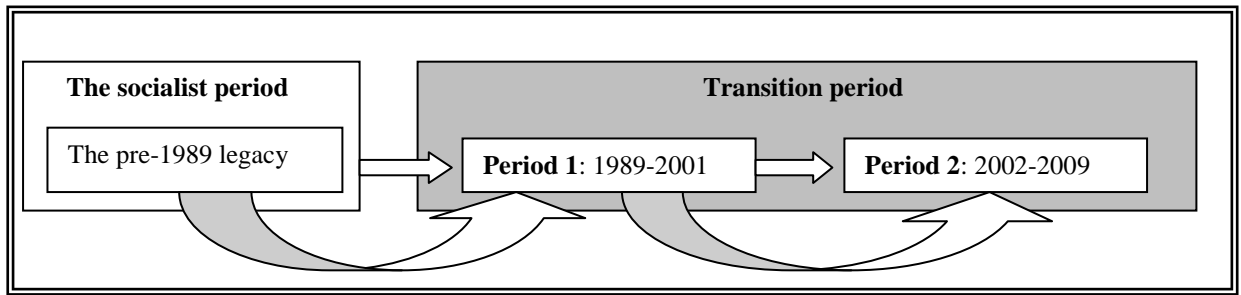
The general structure of the chapter is presented in Figure 18 below, in which the numbers correspond to the relevant sections and subsections.

Figure 18. Structure of Chapter 5



The findings in this chapter show that the institutional ‘Legacy’ of the pre-1989 socialist period influenced the transformation of tourism in the destination studied in the first period of transition (1989-2001) in the same way as the ‘legacy’ of the first period pre-determined tourism development in the second period of transition (2002-2009) (see Figure 19).

Figure 19. Periods studied and the legacy impact(s)



As in Chapter 4, for reasons of anonymity, all personal details and specific facts that may allow the identification of the study participants were removed from the quotations presented. The anonymity of the respondents was further enhanced in section 5.2. This section deals with issues of particular sensitivity therefore all numerical values of the references were changed. The disclosure of the group membership was not changed as it was essential for this research.

Throughout Chapters 4 and 5 the public sector study participants are referred to as the PS participants, the business and NGO sector participants – respectively as the BS and NGO participants.

5.2 ‘Politicising’ of the transformation and tourism development

5.2.1 Background

In the context of transition, the theme of ‘*politicising*’ was of crucial importance in understanding *why* the tourism development developed in the way it did between 1989 and 2009. ‘*Politicising*’ was used in the informants’ accounts as a term in the native language to illustrate the overdependence of private business on the actions of individuals using their political positions, and the associated networks, in the name of political causes but primarily for personal gain. While in the English language ‘politicise’ means to “make an issue political” (Oxford English Dictionary 2003, p.577), in this research ‘*politicising*’ was adopted as the appropriate term to convey the meaning of the Bulgarian words used by the study participants. Thus, what was discussed was not about

political parties politicising things that are not political for party political gain but concerned with the perception that some of the actions of politicians were for personal gain. Such practices were seen by the interviewees as more widespread than in Bulgaria other in countries, and therefore, viewed as corrupt and illegal.

The theme persistently emerged throughout the whole period studied. Unlike the rest of the themes, '*politicising*' was not discussed by the study respondents as related to the socialist period, although no one denied that there were manifestations before 1989. The significance which the respondents attached to this theme suggested that the range and scope of '*politicising*' during the transition period was unprecedented and unexpected.

'*Politicising*' was given special attention in the accounts of the decision-makers from the largest tourist businesses on the Black Sea coast and in most cases discussed in a very emotional way. As one of the informants pointed out, tourism had not operated in a true market environment because of its dependence on the interests of political parties:

We are on the verge of survival; it is difficult to do business in tourism because tourism is completely politicised. (BS16)

The theme of the *politicising* of tourism development and operation was revealed through its manifestations (sub-themes) ranging from the *political influence*, going through the related *rent-seeking policies* of the public administration and the inadequate *political culture* to what was seen as *transfer of illegal capital* under the protection of the politicians.

The significance of this theme was accentuated by EU's reservations for Bulgaria's accession as evident from the decision of the European Commission to establish a mechanism for cooperation and verification of progress in Bulgaria to address specific benchmarks in the areas of judicial reform and the fight against corruption and organised crime (EC Decision 2006/929/EC). This issue was persisting in the EC assessment reports of 2007, 2008 and 2009. In addition, just over a year after the country joined the EU, three streams of funding were suspended because of apparent fraud, and the EU's investigating agency had 45 cases of alleged Bulgarian malpractice on its books (Miller 2008, BBC News Channel 2008). Although some former senior government officials were

under investigation for corruption (ZONA.BG 2010) the number of people convicted was insignificant.

5.2.2 Political influence

This sub-theme was present in the accounts of 15 out of the 24 participants. The distribution of responses across the stakeholders' groups showed the centrality of the issue for all stakeholders.

It is important to note that the interviews were conducted in the native language of the interviewees and the phrase commonly used by the interviewees to describe this specific phenomenon was *political corruption*. As the term 'corruption' is suggestive in English of criminality and as there have been to date no recorded legally enforced prosecutions (and there are not pending prosecutions to the best knowledge of the researcher), this research chose not to use the native term but refer to it as *political influence*, which was seen to better represent the phenomenon worldwide.

The interviewees' accounts showed that the *political influence* was incompatible with their expectations of what a political democracy should be. It implied individuals from the executive, legislative and judicial institutions, as well as from local administrations, accepting rewards for allowing things to happen (misuse of power for personal gain). Political lobbying or 'planning gain' were viewed by the study participants as common, yet unacceptable practices since typically they perceived the beneficiaries to have been individuals rather than collective bodies, such as political parties or local communities. This issue was perceived to have influenced tourism development throughout the whole period studied – Period 1 (1989-2001) and Period 2 (2002-2009). It also seemed to show continuity with the pre-transition period (pre-1989) and to have been accentuated by the transition changes:

*When the democratic government followed the socialist government [1997], we were hopeful. Ideologically, the socialists were believed to **steal** more, while the democrats were considered more ... serious. On the contrary ... (BS23)*

The *political influence* usually had a 'price tag' attached to it:

Politicians were not concerned about how to develop tourism, but about what properties they could acquire for themselves, and this is what led to overdevelopment of the resorts. (PS15)

Former senior government officials associated *political influence* with the process of designing and implementing the legislation, especially the rules of the privatisation processes, which they perceived as being done in such a way as to allow politicians to benefit personally. Participants implied that ‘the rules of the game’ determined the overdependence of business on the decisions of certain politicians as they interpreted the legislation as reflecting the will of the different political cabinets.

The gaps in legislation due to political pressure were blamed for the corruption and the illegal construction on the Black Sea coast (Velcheva 2007). An annual report of the U.S. State Department of human rights too attributed the ineffective judicial system to political pressure and corruption (Popova 2009).

Former senior government officials drew attention to different aspects of *political influence*. Some of them blamed political interference for the controversies in the property rights laws (Privatisation Acts and the Restitution Act), which, in their opinion, delayed privatisation:

This law was based on corruption and was designed in such a way to enable corruption in reinstatement of property rights. (PS18)

Others claimed that the infrastructural problems were neglected “for political reasons” (PS 14) and the infrastructure in the large resorts was sold to benefit the private interests of political leaders (PS 15). It was argued that the Black Sea Act was passed only when it was convenient for the developers – “... more than nine versions of the Act were returned for amendment by Parliament” (PS 19).

The PS informants at the local level held firmly to view that the *political influence* had a crucial impact on the development trajectory:

There has always been lobbyism and predilections when it comes to allocating financial funds [for infrastructural projects] to the different municipalities [...] You can sense it when

the problems of other municipalities, whose mayors belong to the party in power, are solved faster... when you are treated as if you were the outsider. Their [the politicians'] attitude is 'if you are not with us, you are against us'. (PS 20)

...Approvals of projects are prearranged. It is a trade-off between the different political parties ...]. Of course there are political predilections, financial resources are allocated to places run by the political party in power ... (PS22)

For the sake of clarity, it should be noted that in the native context the trade-offs between the political parties have been seen by the respondents as a form of political corruption and not as the normal way the political process should go.

The majority of the business and NGO participants related *political influence* to the privatisation of tourist assets on the Black Sea coast:

Privatisation can never be 'clean'! Especially in such volatile times [as the transition from one socio-economic system to another] the corruption practices reach the top of the state administration, and Bulgaria was no exception to the rule. (BS14)

Such perceptions of the study respondents were supported by evidence available in the public domain and related to the privatisation of large tourist developments (TEMA 2002, Nikolov 1998a, 1998b, 2000, Popova 2009, Channel 3 2008). According to investigative journalists, political protégés and the shady business had divided the tourism sector among themselves (Aleksandrova and Nikolov 2000, Nikolov 2001). Other sources (Tomova 2008) cite a report of a minister of Interior Affairs that “[t]he prime minister through front men, party structures and corrupt officials of special services has acquired control in major economic sectors through corrupt privatisation mechanisms. In Golden Sands and Pamporovo, through intermediaries and close friends ... he controls 10 000 beds”.

5.2.3 Rent-seeking bureaucracy and cronyism/nepotism

While *political influence* was concerned with making the rules of the game and using them in such a way as to allow politicians to benefit personally, the second sub-theme (*rent-seeking and cronyism*) addressed a different aspect of *politicising*. The concept of rent-seeking is usually used to

describe actions on the part of individuals and groups that try to make more money without producing more for customers by “lobbying the government for tax, spending or regulatory policies that benefit the lobbyists at the expense of taxpayers or consumers or some other rivals” (The Economist 2011). In this research the concept was used by respondents to describe the behaviour of the state itself, suggesting that it sought to maximize the economic rents it could extract from the state-owned companies before the privatisation of their assets in the 1990s. It appeared that similar practices continued in the 2000s, although on a much smaller scale.

In this study, *rent-seeking bureaucracy* reflects the views of the interviewees that the government used its political power to make a profit from the state-owned companies without using this profit to contribute back to society. This has been done too often through the practice of giving strategic posts and other advantages to friends (cronies) and relatives. The term in the native language used to define these practices was *shurobadzhanashtina*. It has the meaning of both, *nepotism* and *cronyism* – favouritism to (political) cronies and /or close relatives (nepotism) in appointment to a job without regard to their qualifications or in giving them other advantages (e.g. selling state assets at a seriously discounted price in pre-arranged privatisation deals). Although rent-seeking and cronyism/nepotism have different meanings, they were treated as one sub-theme due to their interconnectedness.

Over the period studied many public sector officials (including a former senior tourism official) were dismissed based on allegations of corruption (Nikolov 1999, 2004, Georgieva 2006). However, few cases reached the court and this research did not find documentary evidence of court sentences. Some studies in the 1990s concluded that corruption was a product of transition and those who profited most were the politicians and the civil servants (Nikolov 1999). Miller (2008) cited an award-winning investigative journalist that: “Nothing has changed. [...] The number of people being convicted hasn’t changed - it’s very low and those that are convicted are junior officials”.

The theme of rent-seeking and nepotism was discussed at length by all respondents who had personal experience and who chose to speak about it. The strength of the emotion with which they expressed their views, along with the depth of the reminiscing, suggested that they attached significant weight to the issue.

According to some of the informants, the *rent-seeking* approach was established as a rule in policy making throughout the whole period studied. What was presented as government revenue raising tactics before the privatisation (Period 1, 1989-2001) did not benefit the wider community:

The main objective of the state was to drain the resources from the state-owned companies via dividends. (BS22)

Referring to the post-privatisation period (Period 2, 2002-2009) the majority of the respondents pointed out that the procedures were set in such a way as to ensure lack of accountability of the government and encourage corrupt practices, as in the case of one-to-one negotiating of land swaps, done directly at the top government level.

The way the land-swaps are arranged preconditions corrupt practices. This is obvious. There is no transparent tender. You simply go and offer one thing in exchange for another ... there is no way to avoid such [corrupt] practices. [...] Things mostly depend on the central government and those who make the rules. This is how the scheme works in reality: X. (the respondent gives the name of the owner of a big business) goes to the minister, they decide how to 'arrange' things, then the minister talks the other ministers over...and the decision for the land swap is made by the Council of Ministers. That is why we have such [corrupt] practices ... because there is no accountability. In my opinion, this is done on purpose, to avoid accountability and to ... (makes a gesture which in the local body language means 'to steal') more assets. Things are done not in the name of any social priorities, but in the name of personal economic interests. (PS22)

The rent-seeking practices were made possible by the practice of each new government to change government administration staff at all the levels and appoint people loyal to the respective political party. This was particularly true for tourism whereby the National Tourist Authority (NTA), which the informants across all stakeholder groups considered to be characterised by political appointments (cronyism), pay-offs and nepotism (PS15, BS16 and BS22). Informants believed that this process took monstrous dimensions in the 1990s (Period 1, 1989-2001), when seven governments changed between 1989 and 1997, with the shortest term being 2-3 months and the longest two and a half years.

Politicians were busy appointing new top managers, giving jobs to their people. (BS 22)

They [politicians] had no time for policies; they were busy appointing their own people. (BS15)

It was acknowledged that even after 1997, staff turnover was such that it was difficult to attract professionals to government positions (PS19).

Establishing rent-seeking as the rule of the game at the level of public decision-making eventually had an impact on the personal level of decision-making in relation to the privatisation of the largest resort companies:

We wanted to buy [one of the major resorts] but we were told by X. (the respondent gives the name of an individual close to the ex prime-minister) that we were fighting for a lost cause – nepotism could be found everywhere. (BS 23)

The evidence provided by another interviewee revealed that during the period of privatisation of the company units, the state was ‘milking’ the company, instead of leaving it some resource that would allow it to modernise and upgrade its facilities and be sold at a high price (BS16).

According to the more recent actors in tourism development in the destination studied, the same rules of the game persisted in the 2000s (Period 2, 2002-2009), though in an advanced form.

Before [privatisation], in order to get a loan, one had to get the minister’s approval, negotiate how much should be embezzled - there was no other way ... [after privatisation] investors were given permission to do whatever they wanted...and, of course, that permission had a price tag attached to it. (BS16).

Since the state and, to a lesser extent, the municipalities were the owners of vast plots of land along the coast (PS20, PS22) public sector participants affirmed that the sale of such land and the change of its status for the purpose of developing new resorts was done by face-to-face negotiations with the relevant officials.

I could secure the land for [the development] because the Minister of X. is a friend of a friend –and he believed in my project, although at the time it was not a state policy, it was done entirely on a personal basis. (BS20)

Documentary evidence (see Bivol 2010, Dimitrova 2010, Vateva 2010 among others) showed that Bulgaria was the only country in the EU where the land swaps were introduced as a practice. A senior government officer qualified the land swaps as “the largest theft of transition [which] as a nominal value inflicted damage worth billions, not to mention damage the ecosystem, national wealth, which I pass down to the next generations” (Novakova 2010).

In the respondents’ experience rent-seeking and nepotism practices were also present at the local level:

The public officials involved in planning and development are like petty traders, they work on a piece-by-piece basis: one plot of state-owned land for their brothers, another - for their in-laws. (NGO15)

Senior local authorities’ officials in charge of privatisation were arrested for mis-use of power for personal gain (Nikolov 1998). Regional authorities have been often accused for corrupt practices in giving beaches under concession (Kalcheva and Nikolov 2001).

There was a general agreement that rent-seeking was further fuelled by the EU funding for projects on tourism development. Some of the BS and NGO participants spoke of their own experience to illustrate the ways in which malpractice was perpetuated by the the public bureaucracy.

Lately, we’ve been relying heavily on European aid, on European funding – pre-accession funding at first, now the structural funds, etc. I myself have been a ‘victim’ of the scheme...the money simply doesn’t go where it is needed. This is the other barrier. So, the potential is there, but, for those same reasons that we’ve been discussing, it is not realized...it is not utilized.

We lined up a good team enthusiastic to carry out a major project ... and initially I didn’t realize it was being done on purpose – you see, I blamed myself, as the project manager, that

I was not doing things as I should have, that I was incompetent, etc. It turned out it was just not meant to happen. And so, we go to Sofia...because they keep changing the rules all the time...the moment we finish working on a tender offer, they say, 'No, that's not good enough.' Orders come from two centers – one here and one there. One says, 'Forget the others. They are clueless.' The other says, 'Those guys can't give you orders because we are so-and-so.' Basically, the whole chain is ... (indignantly). [...] Corrupt! Corruption...it feeds on such administrative barriers...because in order to solve a problem as small as this (makes a gesture which suggests that the problem is tiny), one has to go through six different authorities and each one rips you off. In the end, your problem has cost you a fortune.
(NGO14)

According to most of the interviewees the EU funding, on which all infrastructure projects depended, was not reaching its beneficiaries because of the dominating government practices.

Similar allegations of corruption were voiced in the first half of the 2000s in relation to the distribution of grant funding under EU PHARE programme for the development of Bulgarian cultural tourism (Ivanov 2003). Before the EU accession serious concerns were articulated that that EU membership could boost corruption in Bulgaria through the expected EU development funds (Browne 2006). The head of the anti-corruption watchdog funded by Western government was cited that: “In the first two years [of the EU membership] the money will be entirely wasted – it will go into the pockets of politicians and their client companies.” (ibid.). Such concerns seemed confirmed by the corruption scandals and the suspension of EU funding because of apparent fraud (Miller 2008, Wagstyl 2008).

5.2.4 Political culture

The lack of adequate *political culture* as a sub-theme emerged in many interviews across all stakeholder groups. The term was taken directly from the interviewees accounts. It was employed to explain the respondents' conviction that during the transition from a centralised to a democratic political system the individuals involved in the political process did not have the attitudes, beliefs, values, knowledge and skill which underpin the operation of the new political system. Similar views were voiced in the UNDP studies (see UNDP 'Capacity 21' 2001 and the NHDP 'The Municipal mosaic' 2000) along with other issues depending on the purpose of the particular study.

In the views of the former senior government officials tourism development could not have taken a different direction because (with one exception) no one had any previous experience of governance or any experience of working in a ‘democratic environment’(PS17). As one of the PS participants recalled, during much of the 1990s there were no rules for how to conduct the day-to-day operations, ‘chaos in the documentation, just loose notes [...] work was done with enthusiasm, rather than professionalism’ (PS18). Another PS informant pointed out, the succeeding governments represented different political parties and documentation seemed to come and go with the people, therefore, there was no continuity (PS17).

The BS participants also emphasised the common practice of politicians not keeping the promises made in the pre-election campaigns and changing the priorities once the government has been approved, which they attached to the lack of political culture (BS17, BS15).

5.2.5 Illegal capital

The relationship between tourism, illegal capital and the state dominated much of the public discourse over the period studied (Aleksandrova and Nikolov 2000, Nikolov 2001, KAPITAL 2004, DNEVNIK 2005, Mancheva 2005, Watt 2006). The press (DNEVNIK 2006) cited a senior diplomat’s statement that tourism and construction in Bulgaria were in the hands of the mafia which used them for money laundering. Browne (2006) refers to a senior EU diplomat in whose opinion “[The criminal] gangs are everywhere and control everything - business, municipalities, members of Parliament, everything”. Varna and the resorts in its territory had been the focus of public attention in this respect (CAPITAL 1998, Tomova 2009).

The theme of the laundering of illegal capital through tourism development came through very strongly in a few accounts. Its significance was in the connection which the respondents made between illegal capital and the political ‘umbrella’ that made possible its survival over the transition period. The reporting of the theme in the research was determined equally by what was said and what was not said. This sub-theme was seen by the study participants as persisting throughout the whole study period (1989-2009). It was suggested by NGO participants that the illegal structures (organisations) played an equally major part in the tourism development in the 1990s and then in the 2000s when their tourism businesses came out of the underground economy.

Things have not changed much, there are still mafia-type economic relations, they have just moved to a less obvious level. (NGO14)

BS respondents affiliated to such a structure categorically refused to be recorded. Only when the voice-recorder was switched off did one of them acknowledge that they had signed a confidentiality agreement and wished all information shared with me informally not to be used for the purpose of the research.

Two types of illegal capital were identified by the respondents. The first type was termed 'laundering of foreign [dubious] capital' associated with investment and development companies, some of them belonging to family members of the then senior government officials. In the experience of one of the NGO participants such companies used their family connections to acquire tourism assets in the best coastal locations and to renegotiate the initial financial commitments. It would be against the ethical and confidentiality commitments to use quotes from the interviewees as these provided names and concrete examples. Some of the information elicited was made publicly available in the Bulgarian press (CAPITAL 2004, Mancheva 2005) which allowed the verification of the data.

The second type of illegal capital was associated with the money-extortion groups and their role in tourism development was seen as controversial. According to the study participants, the emergence of strong extortion groups was suffocating the small and medium size businesses in tourism in the 1990s and transferred the laws of the jungle into tourism development, along with little care for the long-term viability of the tourism business or for the environment. As one of the business sector participants recalled:

Money-extortion businesses were widely spread and were draining the resources – X. was one of the few places they could not break into... The pressure was incredible ... I can understand other people who, willingly or unwillingly, gave in to the pressure ... Because pressure took different forms – threats, political pressure, economic pressure, pressure from illegal structures, physical ... one needed courage to resist, not to agree to compromise... And if one could economise by not paying taxes to the state, there was no way to economise by not paying the racketeers. (BS22)

According to a NGO respondent the key actors in tourism development were the ‘business groups’ - those based on the money-extortion business - and those who operated with foreign capital:

There was no state in that period [1990s] or, if there was a state, it worked for the interest of the money extortion businesses. (NGO14)

Study participants further connected the lack of tourist development in the 2000s in and around the city of Varna to the power wars between money-extortion groups, and in their opinion development started only after the leader of one of the groups was assassinated. Investigative journalists too suggested that the assassination of the head of the business group might be related to a conflict of interests in tourism (Nikolov 2003). Ironically, some participants believed that the organisation that took over the business at the beginning of the 2000s also played a constructive role in the tourist development that followed. In addition, this was the very company that claimed commitment to implementing the principles of sustainable tourism development by upgrading the whole resort gradually and within a comprehensive master plan, preserving the environment and providing all necessary infrastructural upgrading. Consistent with the whole theme of *politicising* and the perception of a political umbrella over the illegal capital organisations, both BS and PS participants stated that at a time of shortage of government funding for infrastructure projects on the Black Sea coast this same organisation ensured state co-financing for the building of a new waste water treatment plant, done “as a result of a ‘constructive’ dialogue with the state authorities” (BS15).

5.3 Property rights

5.3.1 Background

The transformation of property rights was a recurrent theme in the accounts of most study participants. The research data showed that the way the tourist business developed (through privatisation or establishing new businesses) and the pattern of privatisation determined important issues such as the subsequent approach to the development and the relationships between the actors of development.

The theme of ‘property rights’ was broken down to recurrent sub-themes which could serve to better explain the issue. These sub-themes were associated with the *principles of the property rights transformation* and the concrete forms it has been taking.

The *principles* were seen by the respondents as related to transition context and persisting throughout the transition period (1989-2001 and 2002-2009). The forms of property rights transformation were both legacy-related and shaped by the current (for the period) manifestations of external factors. The need to privatise stemmed from the socialist legacy of huge accommodation facilities and the integrated model of tourism development, exemplified by the Black Sea resorts. The tourist assets were the first scheduled for privatisation in compliance with the requirements of the international lending institutions. As is evident from the sub-sections below, the privatisation forms and restitution were dominating between 1989 and 2001 (Period 1). Within the *transitional forms* – the *long-term leases* were prevailing in Period 1, while the *public-private partnerships*, *mixed ownership* and *land swaps* were mainly related to Period 2 (2002-2009).

5.3.2 Principles of the transformation of property rights

The data analysis showed that informants were split in terms of the principles of property rights transformation depending on the role they played in the privatisation. According to the PS participants, the privatisation was *knowledge-based*. In other words, transformations were based on the lessons from the experience of other countries; choosing the most appropriate methods and techniques, and providing the relevant training for the central government administration and local resort managers (PS1). It was suggested that the typical German corporate model was adapted to the MEBO model (Management Employee Buy Outs) providing opportunity for the existing management and employees to buy shares in the company at very advantageous terms and conditions.

Both PS and BS informants recalled that the merging of the general *top-down* governance style with *bottom-up approach* in the 1990s (Period 1) was a common practice, giving the local management the opportunity to participate in developing the privatisation concepts for the relevant company (BS1, BS3, BS9). It was generally agreed that such a practice was in the spirit of the democratisation and the search for a dialogue. Only one participant suggested that such a combined approach was adopted because the frequently changing senior government officials at the time were

not aware of what assets were owned, who owned them and what was happening locally (BS2). In any case, the public and private archives provided evidence of privatisation strategies proposed by local management teams at the time, as well as correspondence between the government structures and the local management teams.

There was a consensus among the participants that an overarching principle was to privatise as quickly as possible due to the pressure of the international institutions. In the opinion of the PS participants, *the highest bid wins* principle was the most appropriate and the one adopted at the time of rapid privatisation (PS4). However, many BS participants recalled that many hotel properties were privatised much below their value (BS1, BS3, BS5). The *privatise fast and at any price* approach was seen as related to the practice to privatise tourism assets without approved urban development plans, thus leaving loopholes for legalising property extensions at a later stage (PS6).

Another PS informant, however, pointed out that the lack of rules and the political lobbying were a common practice (PS5). He claimed that he managed to introduce transparency and a *one rule for all* because of his role at the start of the transition had made him ‘untouchable’: “These were weird times and people had a weird way of thinking” (PS5). In the view of most BS and NGO participants, privatisation was carried out based on a purposeful lack of clear rules, pre-arranged deals, lack of transparency, cronyism and political interests.

Only two or three of us know how X’s privatisation was done so nobody could have published any information about it. (BS8)

The principles seem to have persisted over the whole period studied, manifested in the mid 2000s in the one-to-one land swap arrangements for large development projects such as new resort developments (BS5, BS8).

5.3.3 Privatisation models

As stated earlier, the socialist legacy included huge and varied tourist assets, which were scheduled for gradual privatisation. The data analysis showed that different privatisation models were experimented with in each and every seaside resort (Nikolov 1998a, 1998b, CAPITAL 2004, Ivanov 2004). Informants across all stakeholder groups viewed the trajectory and outcomes of tourism development as a direct consequence of the privatisation models adopted. However, there

was a general agreement that two major models played a crucial part in the tourism development on the north Black Sea coast – the privatisation of the resort company as a whole business and territorial unit, as was the case of Albena resort and St. Constantine resort, and the hotel-by-hotel model, applied to the Golden Sands resort. It must be noted that, although the city of Varna has had the status of a resort settlement for a century and two holiday clubs (Riviera and Sunny Day) were located in the destination studied; these were not given any special attention in the interviews or in the documents. Therefore, it may be concluded that the tourism development on the north coast between 1989 and 2009 was exemplified by the resorts of Albena and Golden Sands, which seemed to have an iconic status nationally. These were joined at a much later stage by the St Constantine resort, which was completely privatised in 2003.

- ***Privatisation of the resort company as a whole unit***

The majority of the respondents believed that privatising resort companies as whole units, by selling shares, proved more sustainable in the long term in terms of avoiding overdevelopment and preserving the environment. The classical example given was the Albena resort, joined at a much later stage by St. Constantine resort. There was a general agreement that where companies had a majority owner and united management, they benefitted from a uniform strategy for the gradual upgrading of the place, with emphasis on ‘quality’ (refurbishment of accommodation, while investing in sport and spa facilities, and public utilities) not ‘quantity’ (expansion of accommodation facilities). Such an integrated approach was seen by the informants as *the* example of sustainable tourism development on the north Black Sea coast, as the two resorts avoided urbanisation and overdevelopment.

[Albena] remains as an environmental oasis among all the overdeveloped resorts. (NGO1)

Comparison between the two resorts was difficult due to the difference in the stage of modernisation of the business and the backgrounds of both owner companies. According to the majority of the informants, the upgrading of St. Constantine started relatively late compared to the rest of the resorts and its owners, though not having a background in the tourism business, had the opportunity to learn from the mistakes of those who had started earlier. They also had the will to employ professional managers (which was a positive but not a common practice in the destination

studied) and the financial means to upgrade the resort by replacing the old facilities with new, high class hotels BS1, BS2, NGO1 among others).

With regard to the Albena resort, all the informants agreed that the sole- owner model contributed to preserving the environment and the integrity of the business. However, views varied in that the Albena model did not encourage competition and the size of the company had a lock-in effect, which in the long-term may have had a negative impact on the viability of the business. In general, the PS participants and most BS and NGO participants showed a positive attitude, while, logically perhaps, other respondents expressed reservations as to the viability of the company in the long-term. In contrast, some local PS respondents considered Albena's model of privatisation as a huge advantage, though they stressed the importance of the 'individual':

Thank god we have Albena because the more owners, the more conflicts! Look what happened in Golden Sands! It is one thing to deal with one owner, and a completely different thing to deal with many owners, like in Golden Sands [...] one owner – uniform development policy [...] And the management are all professionals, Albena set an example how to develop tourism (PS7)

Another PS participant recalled that they were not in favour of Albena's model for privatisation. However, their attitude had changed in view of the outcomes:

Albena proved me wrong! [X.] managed to do exactly what I wanted – to preserve the territory, to save it from the overdevelopment that we see in the other resorts.(PS5)

Another former senior government official was convinced that this was the most appropriate way to preserve the integrity of the resort. However, he pointed out that while the environment in the resort was preserved, insufficient investments were made in hotel facilities, and the national economy did not benefit from provision of job creation or from upgrading the place and attracting up-market tourists (PS2).

In the opinion of some BS study participants, the *whole-unit model of privatisation* destined the resort to lag behind the competition because it was not within the financial capacity of one company to upgrade a resort of the size of Albena (BS3, BS6, BS1). The prevailing view, however, was that

the ‘one unit’ privatisation was a success in the short term, but may prove less appropriate in the long-term.

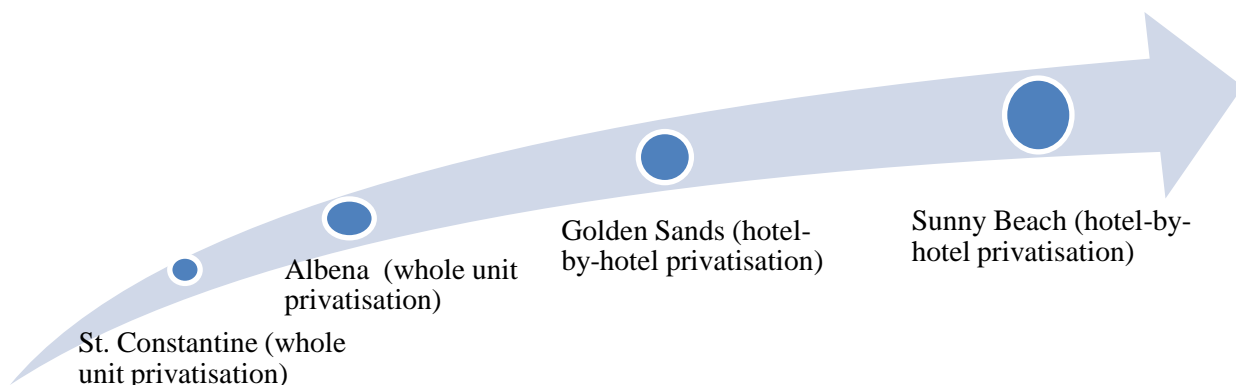
It also became clear that the privatisation model pre-conditioned the subsequent development model and if it had it not been for the new owners’ way of thinking, Albena might have followed a different development route. The importance of the mentalities and the role of the ‘individual’ (the ‘entrepreneur’) in tourism development were acknowledged by the majority of the study participants and these are presented in a separate section in this chapter.

- ***Hotel-by-hotel privatisation model***

Whereas Albena and St. Constantine were given as positive practices, in the view of the study participants the two largest resorts of Golden Sands on the north coast and Sunny Beach on the south coast exemplified the overdevelopment resulting from the *hotel-by-hotel privatisation model*. It should be noted that the example of Sunny Beach resort, though not in the destination studied, often emerged as a benchmark for ‘overdevelopment’. There was a general contention that, in comparison to the south coast, the north coast destination studied (even the much criticised Golden Sands resort) was developed in a more balanced way.

The different levels of development are illustrated in Figure 20 below, with St. Constantine and Albena at the narrow end of the arrow signifying that the balance between environment and development was achieved; Golden Sands in the middle, because expansion of hotel facilities were perceived as surpassing the balance but still at an acceptable level; and Sunny Beach on the south coast at the other extreme as the resort that was perceived as the most overdeveloped place on the Black Sea coast. On this figure Albena and St. Constantine represent the *whole/one unit privatisation*, single owner and unified vision for development, while Golden Sands and Sunny Beach stand for *hotel-by-hotel privatisation*, many owners and lack of unified vision for the development.

Figure 20. Levels of development of the purpose-built resorts in relation to the privatisation model.



According to the study informants, the presence of many hotel owners and the lack an authority and unified concept for the development of Golden Sands determined the expansion of the facilities in height and the absorption of every green space available. As PS1 recalled, a significant consequence of the Golden Sands' model was the conflicts between and within the different stakeholder groups, and much of the efforts of the senior tourism officials were directed at solving these conflicts. While the study participants agreed that this *hotel-by-hotel privatisation model* was disastrous for the environment in the short term, they believed that in the long term it might prove more competitive and economically viable. As practice showed, it was easier to find the necessary investments to upgrade a single hotel and, as a result, within three years Golden Sands was transformed from a 2-3 star to a 4-5 star resort.

The views of more local PS participants may have added further to the credibility of the analysis. However, the recommended Varna decision-maker did not respond to the repeated attempts to arrange meetings. During the sampling process, meetings were conducted with the former and current Varna senior officials and their views were consistent with the information from the interviews. They acknowledged having difficulties in discussing tourism development due to the complexity in the relations with the business stakeholders – as one of the gatekeepers put it, “it is a jungle out there”.

It may be concluded that both models of privatisation had their strong and weak points, and determined the specific development paths.

5.3.4 Transitional forms

Privatisation processes dominated and pre-conditioned tourism development due to the legacy of purpose built resorts where the bulk of the tourist assets were concentrated until the beginning of 2000s. According to some of the informants, however, there were other forms of property rights which influenced the tourism development, though to a much lesser degree, and these should be taken into consideration.

- *Long term leases*

Long-term leases were reported as being the experimental transitional forms preceding the privatisation of particular assets in the 1990s. As BS2 recalled, such forms were negotiable, the terms depending on the readiness of the government to privatise the properties. In the experience of the informants, the shortest lease period was in Albena (7 years) and the longest - in Golden Sands (30 years). These leases were considered appropriate for their time by the two study participants, who either initiated them or benefited from them. The rest of the informants shared the view that,

This was a day-light robbery organised by politicians who had nothing to do with tourism.
(BS10)

The lease agreements obliged the private investor to invest in the upgrading and refurbishment of the property, but as most of the participants recalled, it was a common practice to exploit the property and hand it back in a condition much worse than when it was taken over (BS2). A similar case was reported from Balchik, where one of the informants had the concession on certain facilities in the 1990s, but at the end of the period lacked the money even to pay the concession, let alone for any improvements. (NGO3, NGO4).

These long-term leases did not serve their purpose to maintain the facilities in acceptable condition, rather, they served to confirm the common understanding at the time that privatisation in any form and at any price would be better than state ownership. As it was evident from selected newspaper

clippings (Nikolov 1998a, 1998b) the long-term leases pre-determined who would acquire the property rights at the pending privatisation and at what price.

- ***Mixed ownership***

Most of the local PS informants and some BS participants regarded the **mixed ownership** (state-municipal-private) of properties as a hindrance to development, including tourism development. According to the local PS informants, the joint state-municipal ownership usually resulted in a vicious spiral: the disagreement between the central and local authorities as to the future development of the property would result in settling claims in court, which, due to the inefficient judicial system, dragged on for years. In the meantime, the properties were left without adequate maintenance and this put off potential strategic investors. In the experience of the local PS informants, the issue affected some of the existing large developments such as the iconic mud-cure establishment, the beach front of Balchik, a 10-km coastal protection dike, among others (PS7, BS9). Of immediate relevance to the tourism development was the relationship of the type of ownership rights with regard to the infrastructure in large resorts as Golden Sands where the accommodation capacities twice exceeded the capacity of the wastewater treatment plant. According to BS3, the public authorities refused to co-finance the expansion of capacities on the grounds that the plant was privately owned. At the same time the state, being a major shareholder, redirected all profits into the state budget, leaving insufficient means even for partial repairs. As BS3 concluded, “the mixed ownership of infrastructure was a time-bomb”. It was evident that, instead of benefiting from the mixed ownership, large infrastructure establishments suffered from misplaced state priorities and confusion over responsibilities. The available documentary evidence too supported these findings (Channel 3 2008, Tomova 2008).

- ***Public-Private Partnerships (PPPs)***

There were mixed feelings regarding other types of mixed property venture – the public-private partnerships (PPPs). These were raised in the accounts of the local PS participants, as they were the ones who had the relevant experience. However, experience differed from informant to informant. While PS7 regarded PPPs as a way to attract investments and start large development projects, PS8, had a completely negative attitude due to the existing legal procedures for establishing a PPP. In his

view, the existing regulation was vague, allowed cronyism, and did not provide guarantees for the private interest thus putting off potential investors.

- ***Land swaps***

Land swaps were identified by PS and BS informants as a way to acquire, at a very advantageous price, large plots of land in one-to-one negotiations with the state or local authorities. These were primarily related to the large tourism developments in the destination studied. Only one of the informants willingly shared information on the negotiated price terms and conditions, mostly to demonstrate a spirit of enterprise. However, due to issues of confidentiality, it was impossible to corroborate the information. The local PS participants, on the other hand, regarded the *land swaps* as evidence of how supportive they had been to attract large investors to their municipality (PS7, PS8, PS9). A common view dominating the public domain was that such transactions were at the disadvantage of the state and the locals (DNEVNIK 2008).

In a similar vein, the local PS informants believed that they had supported the local community by *land swaps* in the villa zones. One PS participant stated that in order to improve the welfare of the local population, the authorities approved the sale of municipal land in the villa zones to those who were using it before, and at preferential prices. In addition, it was decided to compensate people whose properties in the villa zones were claimed back by former owners by designating new plots of land even if this had to be done in the more attractive and undeveloped areas near the coast.

Both the PS accounts and the research observation showed that this particular decision did encourage the development of family tourism, but at the expense of environmental problems as no accompanying infrastructure was provided.

5.3.5 Restitution

The restitution of land intersected with the privatisation as part of the tourism development of the large resorts. In the view of the few PS and BS informants who had first-hand experience, the restitution hindered the privatisation of the tourist assets by creating complete chaos in an already complicated situation. According to one PS respondent, the Restitution Act was a ‘corrupt act’ that obstructed all efforts to speed up the privatisation. Another BS participant recalled that the restitution was not a straightforward process but in many cases went through lawsuits and dragged

for years. Another BS respondent stated that the hotel properties, threatened by restitutions claims, dropped out of the tour operators' brochures and had to close down until the property rights were settled. (BS2). Only in one instance were the restitution claims used by the local management to speed up the privatisation in the desired direction. The model worked and, in the case mentioned, the privatisation went smoothly, not hindering the further development of the place.

The centrality of the property rights issue in its different forms was revealed in the in-depth recollections of all informants. It could be concluded that the redistribution of wealth set the power relations and determined who would dictate the scale and type of tourism development. It also became apparent that tourism development was shaped by the practices of the big businesses, most of them built on the legacy of the pre-1989 period.

5.4 State involvement in tourism development

5.4.1 Background

The theme of the reduction of state involvement in tourism development emerged repeatedly in the accounts of all informants. The legacy of extreme centralisation in the planning, development and operation of tourism was replaced by the withdrawal of the state from all its former functions in most of Period 1 of the transition (1989-2001). In this period the state took responsibility exclusively for privatising the state-owned assets. Only at the end of Period 1 (pre 1998) did the public sector assume its role of regulating the tourism industry and enforcing decentralisation of decision-making (Tourism Act, 1998). This narrow approach to tourism was broadened in Period 2 (2002-2009) with attempts to integrate tourism in to the general policy framework.

There was a general agreement on the critical aspects in which the state had failed. Logically perhaps, PS participants involved in decision-making at the different levels were less critical of the state involvement during their term and more critical of their predecessors and successors. The BS and NGO participants were very critical, to the point that many of them tended to deny everything done by the public sector. Many of the respondents used similar wording to express their negative views with regard to inadequate state involvement as a major barrier to tourism development:

[The state] has not got involved ... It is not just with regard to tourism ... the state has not been involved in anything and in any sphere ... The state does not care.(BS8)

There has never been a state, or a state policy, or anything done by the state [with regard to tourism development] (NGO1)

If the state had done its job properly right from the beginning, all this would not have happened (PS3)

A number of sub-themes emerged from the informants' accounts and these are presented in the paragraphs that follow in order of weight given by the respondents themselves. A comparison of the data from the interviews with that from studies commissioned under EU PHARE (PHARE Projects BG 2003/004-937.02.02 EUROPAID/120047/D/SV/BG) and press clippings (see Markova 2008 among others) confirmed the chosen approach.

5.4.2 Lack of vision and policy for tourism development

The lack of *vision and policy for tourism development* usually came first in the respondents' accounts. Logically perhaps, all PS informants invariably pointed out that there was a tourism policy when they were in charge of tourism themselves. However, each and every government official claimed that they had to start from scratch and that their successors discontinued the activities initiated. Each PS informant mapped the specific priorities of their terms: solving day-to-day issues until the 1997; regulation, privatisation and national promotion in 1997-2001; regulation and development of alternative types of tourism (eco-tourism in particular) in 2001-2006; national promotion, use of EU funding and pushing through the system a national strategic document for sustainable tourism development in 2007-2009.

The BS and NGO informants expressed the opinion that none of the consecutive governments (commonly referred to as 'the state') had a comprehensive vision for the tourism development:

We never had adequate state policy for tourism development. The privatisation was done without a vision, the planning permissions afterwards were granted without a vision ... without any idea what we want to achieve.[... This is why] at the moment we have an utterly conceptually crippled tourist product on the Black Sea coast. (BS10)

It was evident from the data analysis that the individual efforts of senior government officials did not lead to a consistent policy in tourism development and were not recognised by the stakeholders. There was an agreement that things gradually evolved in a positive direction: however, the pace of change was much slower than any of the study participants had expected.

5.4.3 Economic priorities

Most of the respondents believed that the specific type of tourism development on the Black Sea coast was determined by the lack of funding, which put pressure on the *economic priorities* at the top of everyone's agenda. Public and business sector participants recalled that in most of Period 1 (1989-2001) over 80% of the profit of the state-owned companies went into the state budget, draining all resources. According to the PS participants the economic priorities of the government in the 1990s called for *privatisation at all costs, highest bid wins* approaches and assigned little weight to the investors' vision for the future modernisation of the companies. Subsequently, in the 2000s, the economic priorities were channelled through the policies for attracting private investments even at the cost of breaches of regulation (PS1, PS7).

The lack of funding affected tourism development through the neglect of infrastructure projects, weak national promotion campaigns and delayed planning and project activities. Central government officials pointed out that the state budget deficits did not allow negotiating money for promotion (PS4) or shifting priorities towards infrastructure construction:

In order to give money, you have to have the money. We could not build highways because the unemployment rate was 16-17% ... No, I could not convince minister X. that infrastructure should be provided ... the Financial Ministry even opposed the way we had formulated the clause in the Tourism Act to ensure funding for national promotion from the state budget. (PS1)

According to PS9 the lack of funding was the main reason for the delay in infrastructure projects in their territory as the local authorities were too poor even to afford to pay for the development of urban development plans and general land-use plans.

Logically perhaps, BS and NGO informants were of the opinion that the state could have, and should have, done more to ensure the required funding for infrastructure and national promotion. It was acknowledged that the whole policy-making was based on a flawed approach:

The whole economy is based on profiting from development [construction], absorbing more and more territories, issuing more and more construction permits. Things will change only if the emphasis is placed on how to benefit from preserving the territory, regulating it, managing it and building infrastructure. In reality, the local authorities profit from destroying nature, not from preserving it. (NGO2)

5.4.4 Planning

Planning was a much discussed, yet controversial sub-theme. The senior government officials involved in the development of tourism associated ‘planning’ almost exclusively dealt with planning of promotion campaigns. Public sector officials involved in the regional development associated ‘planning’ exclusively with planning of the territory and placed the blame for the chaos in the development locally partially on the lack of updated plans. PS6 recalled the advances towards updating and implementing land-use plans in all coastal municipalities in view of the privatisation in 1996-1997, which was done with the financial support of the World Bank. However, as BS and PS informants pointed out, these plans were not implemented.

For subjective or objectives reasons the municipal council did not approve the general development plan. Therefore, unfortunately, we did not have such a plan. (PS7)

Instead, the common practice was to elaborate detailed plans according to the requirements of the investors even in instances where the general plans did not make provisions for tourist development or residential estates. For the purpose of clarity, it should be noted that under the provision of the law, the approval of general land-use plans depended on the municipal councillors, many of them representing opposing parties; while the approval of the detailed plans was done single-handedly by the Mayor. The lack of general development plans was seen as an advantage by the local PS:

It is a good thing that we did not have a [general development] plan because we would have had to change it all the time... And then, how could we have possibly predicted that there

would be such an interest from investors? If anyone had told me at that time that we would have [new large developments] here, I would have never believed them! (PS7)

This controversial situation dominated the whole period studied and, in the opinion of the all informants, determined the chaos in the development and the subsequent urbanisation of the coast. Despite the awareness of the need for planning demonstrated by the informants, the practices revealed a different picture:

No one talks about this... there is no understanding that this [planning] should be done... The Black Sea Act is a success from a planning point of view, but it was introduced too late. (PS6)

The data revealed that only in the late 2000s was planning undertaken by the stakeholders with the new-comers among the developers placing a special emphasis on the comprehensive planning of the golf resorts.

5.4.5 Enforcement of regulation

Similarly to the implementation of the general development plans of the municipalities, a crucial issue identified by a large number of respondents was the lack of regulation enforcement. The majority of the informants perceived the enforcement and control framework as ‘weak’, ‘inefficient’, ‘lacking’. There was a general agreement that:

We were never short of regulation; the problem was in its implementation and control. Things always stopped half way. (BS2)

Other informants pointed out that the unclear and overlapping responsibilities over control also hampered all actions of the central and local authorities. In the experience of the senior government officials, government control was stricter before 2001 but was associated with physical attacks on senior government officials and the disfiguring and subsequent death of the head of the National Construction Control Authority (PS4). Another PS participant recalled that control on construction in the resorts was done by the deputy minister in person, and police force was used when owners did not comply. However, it was made clear that illegal construction sites were not closed down; usually only administrative sanctions were imposed.

Control on development was perceived to be a very acute area related to the transferring of responsibilities from the central government over to the local authorities, which had no enforcement means or power (PS7).

The BS informants suggested yet another interesting aspect - lack of independent control on development as all controlling bodies were private companies, hired and paid by the developers. With respect to the development of new large resorts, one of the informants implied that development projects were never stopped,

The Environmental Assessment Audits [compulsory for large projects by Law] never take an extreme stand. (BS)

Other aspects of control for the PS and NGO participants were associated with the inadequate statistics, distorting the reality of the tourism development and impeding the ability to analyse and plan for the future.

5.4.6 Policy integration

Policy integration was another recurrent issue which united the informants across all stakeholder groups around the view that tourism development policies had never been integrated into the general policy framework, nor coordinated with related policies, such as the policies of regional development, preserving of protected territories, among others.

Integrating tourism in the general policy and strategy? Things have never been considered that way. (BS2)

Tourism policies have not been integrated in the general policies and there has been no coordination between the regulatory acts in the general regulatory framework, especially that of external affairs, fiscal policies, agricultural legislation. (NGO1)

Experiences varied from:

We did not make a separate strategy for tourism development - what we wanted to do was incorporated in the general government policy at the time. (PS4)

to the acknowledgement by the local authorities that tourism development had to be, and was, integrated into the local strategic documents, though, due to lack of experience of the free market system, this was a gradual process.

5.4.7 EU accession

According to all study participants, *EU accession and membership* had a positive impact on tourism development through enhancing state involvement in two ways. First, in ensuring the financing for large infrastructure projects, such as waste water treatment plants, coastal protection works, water and sewerage systems, road rehabilitation and building highways, etc. Second, in the external pressure to harmonise the national legislation on regional development and environmental protection with the EU directives. The sub-theme of EU accession emerged repeatedly with the other themes in the research analysis, but the data showed that its significance was rooted in the view that the EU accession compensated for the perceived withdrawal of the state from regulation and public funding.

It could be concluded that the lack of adequate state involvement in tourism development was a major barrier to achieving the desired outcomes, especially in times of massive transformation and a boom in investors' interest in the sector.

5.5 Human capital

5.5.1 Background

The role of the *human capital* emerged strongly in the account of the study participants when searching for an explanation as to 'why' tourism development on Bulgaria's north Black Sea coast took that specific route. There were two clearly distinguishable sub-themes in the research data which came to illuminate the different aspects of the issue. This study found that the socialist legacy of *capacity* was inadequate and could not ensure the smooth the transition to new, free market economy. As a result, the whole period studied (1989-2009) was marked by those deficiencies. Where there were successes in the development and operation of tourism, these were ascribed to the role of the *individual(s)*.

5.5.2 Capacity: administrative and expert aspects

Most of the informants from all the three stakeholder groups related tourism development to the lack of *capacity* across all stakeholder groups in terms of inadequate managerial knowledge and skills. Similar results were revealed by a number of project analyses which supported the development of an administrative capacity defined as “the capability of central and local governments to prepare appropriate plans, programmes and projects, to organise coordination between key partners, and to finance and oversee implementation by preventing irregularities” (NHDP 2006 *Are we prepared for the EU funds?*, p.12). Previous studies distinguished three main elements of the administrative capacity, namely structures, human resources, and systems and instruments. The majority of the study participants focused on the level of the individual, viewing capacity as a combination of knowledge (information and understanding) and skills (the ability to apply knowledge).

The issue was seen as crucial at the central government level since the beginning of the transition. As PS1 recalled, in the first half of the 1990s training delivered by foreign experts was organised for the national tourism authority staff and local management of the still state-owned tourist enterprises. According to most PS informants at the senior government level in tourism, they were learning by doing, relying more on enthusiasm rather than on any previous knowledge or experience.

The majority of the political leaders at that time [1990s] did not have sufficient experience of environment different from that in Bulgaria. They literally acted by the book and what they knew about the liberal model and the free market economy. (PS5)

In the same vein PS6 emphasised the lack of expertise and knowledge of physical planning which, combined with the striving of the local authorities and the business companies to benefit from developing the territory, resulted in the destruction of the nature in many coastal areas.

The lack of capacity in tourism policy-making seems to have lasted during the whole period studied. In the view of a decision-makers from Period 1 (1989-2001) “all senior government officials who succeeded me had difficulties in understanding what the policy was all about” (PS2). This was supported by a statement of another top-decision maker in tourism that the national

tourism authority did not have the capacity to prepare national strategies and it was the job of the NGOs together with the business to do it (PS3).

The lack of previous experience and knowledge in the area of local governance was raised as an issue at the local level:

For me it was a learning curve ... I did not have any past experience to be able to foresee in what ways X. would develop in the future, and, also, the circumstances were changing constantly – new legislation, decentralisation, social priorities, priority to attract investors ... (PS7)

Logically perhaps, while PS participants recalled their past experience with a varying degrees of criticism, the majority of the BS and NGO participants shared a firm contention that the senior government officials had never been professional and had no touch with reality:

The strategy [National Strategy for Sustainable Tourism Development, 2009-2013] is unrealistic, as are the analyses on which it was based. They should stop writing strategies sitting in their offices. (BS1)

The National Tourism Authority has never had any leaders and people with experience in tourism; it has always been a place for political tradeoffs. (BS9)

Lack of professionalism at the top - it took us a long time to explain to X [former head of the State Tourism Authority] what tourism is. (NGO1)

The study participants were more willing to overlook the deficiencies of the local authorities (LAs), though some of the BS informants representing the big business, stressed that the low capacity at the LA's level, both at the senior level (lack of knowledge of foreign languages, confidence, proactive attitude) and the operational level ("all they are concerned with is harvesting their private crops", BS7) determined the inefficient and ineffective policy-making as well as the ability to benefit from EU funded projects (BS5, BS7).

The study participants from all stakeholders' groups also emphasised the lack of appropriate skills and knowledge of the free market economy in the tourism business sector. (BS9). There was a

general agreement that, as a consequence of the privatisation, the industry was dominated by companies that had accumulated capital in other economic sectors, mostly construction, agriculture and speculative businesses. The new owners usually preferred to run the business personally and having no knowledge in tourism, had a negative influence on price policies and quality standards of the tourist product (BS1, BS6).

The data seems to suggest that the problem with the capacity of the business sector stakeholders to run their business in the new realities was seen as apparent only for a period of 2-3 years, and it was clearly articulated that things had already started to change towards professionalism. In contrast, the lack of improvement in the capacity of the public sector authorities emerged as a persisting problem.

5.5.3 The role of the individual

The role of what many respondents termed as *the subjective factor* was seen as crucial for the tourism development in the destination studied and related directly to the transition context.

The names of some individuals emerged in connection with turning points in the process of privatisation of the large developments:

He designed the scheme for privatisation ... he gathered the managers and told them. [what to do] It all started from X resort...[...] designed the [privatisation] method ... [...] even drew up the first contracts, and then a lot of that was copied in most of the other resorts.
(BS3)

Another individual was referred to by the largest number of study participants for his perceived role as a decision-maker and partially based on the involvement in tourism development ever since the end of the 1990s:

[...] is a phenomenon in the modern history of tourism. [...] found a way to survive through all changes. But he is an exception rather than a rule. (NGO1).

The name of the same individual was associated by senior government and local PS participants with the specific type of privatisation of a whole resort and their personal qualities:

The subjective factor was of utmost importance in those years [1990s]... I knew X before the privatisation and trusted him, he was a ... decent guy [...] the subjective factor proved to be of crucial importance (PS5)

The individual is of great significance, a lot depends on the individual capacity, on their long-term thinking [vision]” (PS7)

A few BS informants shared an opinion different from the prevailing view. While acknowledging the role of the particular individual, they also suggested a different aspect related to the background of the new owner:

[The] resort did not make a ‘turn around’; things are still run in the old, socialist way. (BS10).

According to the study participants, the role of the human capital was of great significance in the context studied. It was presented above through its different elements as these emerged from the research data: capacity and specific policy measures (or the lack of such); and at the level of the individuals and their contribution to the outcomes of tourism development on Bulgaria’s Black Sea coast.

5.6 ‘Old’ and ‘New’ mentalities

5.6.1 Background

The transition is not a matter of changing concepts and policies, it is a matter of changing the way people think – this is the most important characteristic of development (NGO1).

The above quote seemed to serve as an appropriate motto of this section, especially as it presented in a most concise form the views of the majority of the respondents. The theme of mentalities emerged in the interviewees’ accounts as one of great significance in determining the trajectory of tourism development:

It was the way of thinking that determined the trajectory of tourism development. (NGO1)

In the views of the informants, the mentalities were *the ways of thinking* moulded by the specific historical and socio-economic context; therefore, they evolved over time.

The participants spoke of the legacy of ‘old’ (socialist) mentalities perpetuated by the generation that carried out the transition changes (the same decision-makers as before 1989), including the *mistrust of the institutions of civil society*. Other mentalities were seen by the respondents as related to the core transition context (Period 1: 1989-2001), such as *(non)compliance with legal norms*. The *ownership culture* was discussed as a ‘new’ transition mentality emerging from the different economic environment in Period 2 (2002-2009).

Due to lack of documentary evidence available, the information from the in-depth interviews could be corroborated only by including a large number of respondents (informants triangulation). There were a few studies of the United Nations Development Programme that explored the issue and those are included in the discussion section of the thesis.

5.6.2 ‘Old’ mentalities

5.6.2.1 *Mistrust of the institutions of civil society*

A sub-theme, which came up repeatedly, was the common *mistrust of the institutions of civil society* stemming from the socialist legacy and re-moulded by the transition context.

In Bulgaria, there is no such a tradition for public [voluntary] organisations to play a really significant role ... public [voluntary] organisations had a single role – either to hail or to boo’. This is why politics can interfere with business ... because the politicians’ maxim is ‘Disunite and rule’...and that’s what they’ve been doing for a long time now. (BS3)

The majority of the study participants pointed out that although there were over 56 non-governmental organisations registered in tourism alone, the mistrust of participation in any form of civil activities led to the commonly shared perception that there was no civil society in the country. This situation, in its turn, determined the lack of collaboration between the public and the business sector and drove the development of tourism into a non-sustainable route.

The NGO informants claimed that there was no dialogue with the relevant public authorities and their voice was not heard:

They [the public authorities] do not care about what we have to say ... they are not interested in what we propose. (NGO4)

The negative attitude towards NGOs discouraged some of the informants from further involvement in the civil sector:

I gave up voluntary work, although I still participate from time to time. I believe that the NGOs are of no use in Bulgaria. Bulgarians cannot work for an NGO ... they do not trust the NGOs anymore. (NGO2)

Each and every PS informant emphasised their efforts to establish the third sector in tourism as a partner of the state. However, it was evident from the data analyses that this was done almost exclusively in an administrative way. PS2 recalled developing the model structure and documentation during their term for the establishment of municipal tourist councils. After 1998, under the Tourism Act, local authorities were obliged to work with the tourist councils (PS4) and most of the EU funding was accessible to NGOs only, thus stimulating the establishment of a regional non-governmental organisation (PS3). This partially explained why the majority of PS and BS informants spoke disparagingly of the existing NGOs. According to local PS informants, the NGOs did not serve their purpose, dealt with internal staff only (PS7) and blocked attempts to regulate the use of the territory without any constructive contribution (PS9). In the experience of PS8, only the local NGOs were profiting from the EU funding while the local authorities wrote the project proposals and did the project work:

Maybe Bulgarians do not understand the purpose of the NGOs. (PS8)

The BS participants, too, placed the most weight on the distrust in civil society organisations. An important observation was that five out of the ten BS respondents held senior posts in different, though the most influential voluntary trade association yet, with only one exception, they demonstrated no affiliation to an NGO unless asked directly. In the views of the BS participants, the NGOs were distrusted because of their weak negotiating power.

It is a complete waste of time ... we [the NGOs] know what we want and we all want the same things, but it is useless because there is no one to lead a dialogue with ... the state is not there. (PS8)

The administrative approach of the public sector seemed to discourage not only the NGOs but also the BS informants from getting involved into the third sector:

I am a member of the executive committee [of X.], but I have not attended even a single meeting. (BS6)

It appeared that the mistrust of NGOs was to a large extent rooted in the 'old' mentality of pre-1989, when such organisations were associated with purely administrative functions. After 1989 they were seen as 'dummies', used to demonstrate the democratisation of society and becoming popular in view of the potential benefits from the EU funds. However, the informants suggested more reasons for the 'mistrust' related to the post-1989 context, such as the affiliation of the NGOs with big business,

Every big business has its own NGO [...], every NGO is a personal organisation, that is why we do not even use their names, we just refer to them as X's or Y's organisation. (BS7)

and the involvement of local authorities officials (LA) with the NGOs,

There are many environmental NGOs which are actually dummies. They are only registered by the local authorities officials to show work has been done ... if you check and compare the names, you will see how many belong to LA officials who have found new areas of business.(NGO2)

Furthermore, many of the study participants explained their own distrust of NGOs with the argument that they perceived that in many cases the only aim of registering an NGO was to 'benefit' from EU funding. The acknowledgment of this mentality, of the individual trying above all to fool the system, and the recognition of the full dimensions of this phenomenon, seemed to alienate most the individuals from the ideals of the civil society.

5.6.2.2 *The same decision-makers before and after 1989*

The presence of the same people as decision-makers before and after 1989 was seen by many informants as the pre-condition to perpetuate the ‘old’ (socialist) way of thinking in the new realities. The significance of the sub-theme stemmed from the fact that the largest (at least in the period studied) businesses on the north Black sea coast were seen as privatised and managed by the pre-1989 generation - individuals who were in the top management before the transition. A similar situation was observed in the NTO and the public sector. As NGO1 pointed out, the few influential trade associations were direct successors of pre-1989 institutions and, in addition, the same people remained at the top ‘for ages’ (NGO1). According to another participant, the regional development administrations preserved its staff despite the frequent staff turnover in other departments:

Most people working in the system [of regional development] belong to the old generation and have a different conceptual view on land use. ... It is a closed system – new people enter only when someone passes away. There are no new people with international education. ...It takes time...the change of the generation. [as mentalities are the last to change]” (NGO2)

Therefore, the persistence of mentalities formed in a completely different socio-economic system was seen by many of the study participants as a crucial factor, and the significance appeared even greater as many of them belonged to both periods (pre- and after-1989). They seemed to acknowledge the need to change ‘the old faces’, but, logically perhaps, none of them seemed to place themselves in this category.

5.6.3 ‘New’ (transition) mentalities

5.6.3.1 ‘Scavenger’ mentalities

The majority of the study participants pointed to the significant role of transition processes in changing the mindsets and the transition from ‘old’ to ‘new’ mentalities. The different perspectives logically reflected the involvement of the different stakeholders in the tourism development. For instance, some PS and NGO participants asserted that the way in which assets were acquired determined the approach to their development at a later stage. They stated that many people (referring mostly to politicians) acquired properties for ‘peanuts’ and did not invest in the subsequent upgrading: “when you get something for free, you cannot be bothered to develop it.”

(NGO1). On the other hand, PS and NGO informants raised the issue that the private ownership changed the mentality of the locals (referring to the local authorities, business people and individuals) towards a ‘scavenger’ type of attitude:

The business does not care for the environment; it tries to find loopholes in legislation and find a niche that would give them a competitive advantage. (PS5)

Once the land has become private, the owner, local or non-local, does not care for the environment; all they care about is building more in order to profit more. (PS7)

The account of a few BS and NGO participants suggested an intriguing change in the mentalities of the study participants themselves – the acceptance of illegal practices.

In times of anarchy[the transition period], those who were successful [in privatisation and running a business], were not the capable and educated people, but those who took the risk of breaking the rules of the game as well as breaking the law: either by speculating with the currency rates, doing illegal business, or evading taxes. (BS9)

This issue emerged from the contention of decision-makers that there is always corruption in a transition economy, and it reaches the highest levels of government (BS1); and that the state had acted sensibly by not terminating or penalising privatisation agreements where privatisers did not make the required investments (BS6). A striking example of ‘the times defined the mentalities of the people’ (PS9) was the prevailing acceptance of illegally accumulated capital in its different manifestations: tax evasion, using capital of dubious origin, laundering money from racketeering, illegal trade, drugs, and prostitution.

It does not matter how one has privatised – this has happened in many countries – structures settle down, money gets laundered. (NGO1)

The best thing that the state did in the 2000s was to allow the grey economy to come out, the exported capital to be repatriated and invested in the country thus boosting tourism development (BS9)

The issue of changing mentalities and traditional values during the transition period received special attention in the account of most BS participants. The data suggested one more aspect of the changing mentalities - compromising with professionalism and the shift to cronyism and nepotism as a way to preserve the business, and/or hiring untrained staff to cut costs.

5.6.3.2 Lack of compliance with legal norms

Lack of compliance with legal norms belonged to the groups of transition mentalities, bridging the 'old' and the 'new mentalities'. It proved popular as a sub-theme, mostly with the PS and especially the local authority (LAs) informants. The informants recalled different manifestations of disregarding legal norms. These included seeking for loopholes to legalise developments with no planning documents and building permits, granting permits to build in landslide areas, and respectively, building in landslide areas on the coast, which in a few instances had resulted in activating a landslide and loss of human life.

According to one public sector participant, the efforts of the LAs to ensure that what was built corresponded to what was actually permitted were commonly perceived by the 'developers' as confrontation and interference in private affairs. This placed the LAs in a very difficult situation. As some of the informants pointed out, the disrespect and non-compliance with legal norms led to casualties on both sides – the controllers and the controlled. The seriousness of the situation was illustrated by PS4 with the attack on the Head of National Building Control, her disfigurement and death, which was related to her actions to stop illegal building on the Black Sea coast. Such an attitude was reinforced by the inefficiency of the legal system. BS and NGO participants recalled their personal experience in settling payments between companies, commonly associated with non-compliance with the privatisation commitments:

What could we do? Take them to court? If we had done that, the lawsuits would have been dragged for years. (BS3)

Thus the ineffective legal system practically stimulated the non-compliance with legal norms and undermined any effective implementation of the regulation and control on development.

5.6.3.3 *Ownership culture*

The lack of (adequate) *ownership culture* was raised repeatedly by the informants as a manifestation of the ‘new’ (post-socialism) mentality and a significant barrier to tourism development. According to the informants this ‘new mentality’ was determined by the transformations of property rights and the institutional change in the tourism industry. It was seen as a pre-condition for many of the ‘absurdities’ in tourism development on the Black Sea coast and on the north coast in particular.

It should be noted that only two of the PS respondents and one BS participant chose to talk about ‘ownership’ in relation to the public sector, but it was felt that, due to the informants’ significant experience in decision-making, they may add a valuable perspective on the transforming mentalities. PS2 was critical of the state for not assuming its role as an owner and manager of the public infrastructure and national heritage. Indeed, as appeared in most accounts, the national tourism authorities considered themselves owners of the tourist superstructure only (the assets which were under their direct ownership and management). When the tourist companies were fully privatised at the beginning of the 2000s, the state authorities withdrew from regulation and management, leaving the infrastructure and heritage sites as practically no-one’s property. On the other hand, the PS informant from the institution controlling the infrastructure pointed out that tourist infrastructure was neglected because the NTA had not defined the strategic priorities and collaborated with the other institutions (PS6).

The study participants considered the ‘ownership culture’ of the business sector of great significance in relation to the upgrading and expansion in height and space of the tourist facilities; in the prevailing management style of the new owners (in particular, the difficulties in delegating responsibilities and transferring power); in the misbalance between the high quality of the facilities and the low standard of tourist services.

Informants from all three stakeholder groups viewed the ‘new’ *ownership culture* as rooted in the pre-transition ‘party training’ and the mentalities of the socialist system, moulded by the hardships of surviving political top-management appointments before the privatisation, adapting to the changing economic circumstances of the 1990s by finding loopholes in the legislation, and withstanding the constant political and criminal pressure. The transformed mentality was almost exclusively related to the big tourist business on the north coast, which was seen to have determined

tourism development not only locally but nationally as well. According to the BS participants, the size of the business mattered because the prevailing type of ownership culture spread when the company transferred capital by acquiring companies in other economic sectors. As the owners took over the management too, they actually transferred “a model of a socialist mini-state, which makes the new companies dependent on the core business, kills competition and drains resources” (BS9). Most of the informants, however, focused on the reverse process, which was more typical for tourism development in the destination studied – the transfer of capital from other economic sectors into tourism, bringing along specific management cultures and values. The majority of the informants pointed to the distorted relations between owners and managers; the unwillingness of owners to give up control and empower top or middle management; the common way of thinking that “the owner alone knows best, they are irreplaceable” (BS9) and no-one, especially of the younger generations, could manage the business properly (BS6).

A long-term professional manager described his relations with the owners of the business as ‘waltzing’ between the understanding of the owners and the requirements of the tourism business and, although he felt valued as a professional, he was sceptical about the capacity of the younger generation to survive the culture in such a company. Another BS informant believed that:

*Everything in business is personal [...] Leadership **and** management of the company is the only possible option. I manage and supervise everything personally, **everything**, because giving rights to subordinates encourages their leadership, their confidence that they can do well on their own and ... before you know it, they'll try to split the business... The authoritarian way is the way to do business in the East ... if you have more than one decision-maker, the business is over. (BS7)*

Many respondents recalled that, in order to avoid ‘splitting’ or ‘stripping’ of the business, the new entrepreneurs adopted the practice of appointing relatives and friends to key positions in the company, thus shifting the values from professionalism to cronyism to ensure loyalty and trust. There was a general agreement that such practices were very common during and shortly after the privatisation and that led to making ‘wrong’ decisions with regard to tourism development, hence to the underperformance of the companies. It was argued that practices started shifting towards hiring professional managers, which coincided in time with the decline in occupancy rates after 2004.

5.6.3.4 External determinants of the ‘new’ mentalities

The majority of the respondents recognised the EU accession as a significant determinant of mentalities. However, while the positive impact was registered with regard to the PS and BS sector, there was a general agreement that the accession did not have the expected influence on the third sector. The majority of the informants had positive expectations for the future, stating that the EU accession “brings rules in the way things are done, binds us to follow the established norms” (BS7), “...will change the environmental and professional culture” (PS6).

The membership in EU, NATO and the currency board is the best thing that could have happened to Bulgaria, because this will forcefully change the way of thinking and acting. (BS5)

On the other hand, participants also implied that EU funding opportunities had a negative effect on the third sector by stimulating a commercial approach to voluntary activities and providing opportunities for individuals to fool the system:

EU accession encouraged the establishing of NGOs by the business with the sole purpose of benefiting[actual term used is ‘laundering’]from EU money. (BS1)

NGOs mushroomed in view of the millions in EU funds expected to be allocated to BG. (BS7)

It was only logical to conclude that NGOs established with the purpose of filtering money into the business system cannot serve the purpose of the third sector and, in practice, discredited the ideals of the non-governmental organisations.

5.7 Social networks

5.7.1 Background

The theme of *social networks* was suggested as significant in relation to tourism development for its role in channelling the distribution of public property into private hands. This act determined *who* will influence development through the understanding of the decision-makers of what route tourism development should take and depending on the financial means they had to implement their

policies. Logically perhaps, the issue was discussed mostly by the BS and NGO participants and only a few of the PS participants. The significance of the social networks even at the end of the 2000s was well presented in the account of a newcomer to the travel and tourism industry in the destination studied:

Tourism development was not influenced by one stakeholder or another, or by a policy - we cannot make such a distinction. It was influenced by the social network connections between individuals: friends, colleagues, business partners, etc. (BS4)

Two types of social networks emerged from the interview data: the pre-transition trade networks and the personal networks, the latter being spread over the public, business and NGO sectors. It must be noted that all social relations were seen by the respondents as the social capital of a certain individual, typically the owner or co-owner of a big business. A comprehensive study of networks of transition (Chalakov et al. 2008) demonstrated the significance of the theme for the economy of the country in Period 1 but does not provide examples from the tourism sector. For this reason the data was verified through informants' triangulation.

5.7.2 Pre-transition (1989) trade networks

Only three BS participants emphasised the importance of the trade contacts and experience they had before the start of the transition processes in 1989. The small number of informants could be explained by the specific nature of the issue. The pre-transition networks employed the trade relations established before 1989. These networks emerged immediately after the start of transition, operated in Period 1 (1989- 2001) and died out with the end of privatisation.

According to BS3, at the beginning of the 1990s the first hotels in Golden Sands were bought by Russian trade connections (a Russian tractor manufacturer, a Chechen investor) dating back to the 1980s. Furthermore, the three largest German tour operators (at the end of the 1990s) competed in the privatisation deal of Golden Sands AD. However, the good trade connections between the management team and the largest (then) German tour operator determined the outcome of the privatisation deal of Golden Sands AD and, subsequently, the development concept after the privatisation. It appeared, however, that the trade networks had far more limited influence than the personal networks.

5.7.3 Personal social networks

The *personal social networks* emerged in Period 1 (1989-2001) of the transition and their influence continued in Period 2 (2002-2009). The data suggested that the affiliation of the business individuals to a network ensured access to state-owned assets, which was of crucial significance in the 1990s, when individuals could not have legally accumulated the capital needed to participate in the privatisation or to invest in development of the properties. However, it was still considered important in the 2000s, when opportunities to exchange cheap land in the hinterland for state-owned or municipal plots of land on the coast provided the necessary pre-conditions for investing in huge development projects.

In the accounts of the respondents who chose to raise this issue, the most influential groups were those that included individuals with a political and business background. The search for similarities between the different accounts showed that the successful combination was an affiliation to the political party in power and a CEO position in the large company.

I was high in the hierarchy and they could not put any pressure on me. I was in the political group before the start of the changes, participated [...], the whole political establishment were all friends and people I knew well. (PS5)

In more recent times, the configuration of the networks remained the same, with the only difference being that privatisation was over and instead of CEOs, the participants were the co-owners of the business.

The Minister of X. agreed to meet me [with regard to negotiating the land swap needed for the resort] because he was a friend of a friend ... (BS7)

The strategy [of a large development project] was initiated because X and X were friends of the Prime Minister ... (BS7)

Equally successful were networks based not only on political and business affiliation, but also on old friendship:

We designed such a model for privatisation and started the process because I was a personal friend of X. and her husband – we lived in student accommodation together in our university

years, we had been together in the X. She was the one who said, 'Let's do it' ... Even when people in the government changed we had a lobby in the new government so we managed to complete the deal. (BS9)

X was an old acquaintance, I trusted him and he did not let me down with his policy after the privatisation (PS5)

Other networks expanded with the expansion of the core business and spread over different economic sectors, preserving the political members.

Even at the level of the SMEs, 'friendships' were valuable when starting the business:

In the 1990s I wanted to have my own [...] business and called my friends from Russia to do this together - it turned out to be a very successful business, at least before [X] stepped in. (NGO3)

Interestingly, NGOs appeared to use a slightly different way of forming networks – through former university students and their families. NGO1 often referred to different individuals in the following way: “The current deputy minister of tourism is my former student [...] X. was one of my first students [...] the wife of the X.'s CEO is my former student” and so on. Using a network of former students and their spouses ensured a valuable lobby for the NGO in the government and the parliament. This was seen as necessity because, as all NGO informants pointed out, the NGO's Act did not empower the non-governmental organisations and they were forced to look for alternative ways to make their voice heard.

The data seemed to suggest that the social networks had a significant role in 'making things happen' – from the redistribution of property rights to lobbying for the relevant regulation framework. This was particularly true when they included a large business or a group of related businesses and politicians from different parties, the latter being of crucial importance in sustaining the network throughout the political uncertainties of the 1990s and the 2000s.

5.8 Local community empowerment

5.8.1 Background

The theme of *local empowerment* held a special place in the informants' accounts. It was raised by the respondents as relevant during the whole transition period: Period 1(1989-2001) and Period 2 (2002-2009). Considering the socialist legacy of centralised decision-making, the local community empowerment was seen by the respondents as a manifestation of the 'new' democratic system. However, it was also acknowledged that despite the legislative framework that was introduced at the beginning of the 1990s, the lack of legacy (traditions, knowledge) hindered the decentralisation (and hence, its implications for the tourism development) for the whole Period 1 and did not bring the expected benefits even in Period 2.

Informants from all stakeholder groups referred to local empowerment in relation to the massive spatial expansion of tourism development in the destination studied. While there was a general consent that all stakeholders played a part in the overdevelopment of certain parts of the Black Sea coast, many of the respondents suggested that *local empowerment* (or the 'local self-government' in the local terms) had a crucial role in determining the scale and scope of tourism development. It was felt that, in order to explain the concept of empowerment as perceived by the participants, the analysis should look into the policies aiming at decentralisation of decision-making power and into the actual practices with regard to tourism development, and at the cooperation between and within the different stakeholder groups.

5.8.2 Politics of local empowerment: decentralisation of decision-making

The accounts of most respondents suggested that a lead role in tourism development in the 1990s was played by the central government authorities because the tourist assets were still state-owned. The National Tourist Authority, in its capacity as a principal, determined tourism development through the restructuring of tourist enterprises, appointing top management, setting (or changing) the privatisation rules and procedures, and, finally, selecting the new owner(s) of the tourist assets. The infrastructure outside the borders of the resort complexes was not considered for privatisation and due to lack of funding remained neglected by the relevant ministries. As informants noted, after 2001, with the property rights transferred to the private sector and the planning procedures

respectively to the local authorities, the role of the central government was reduced to quality control (through the licensing regime) and national promotion.

- ***Local (municipal) administrations***

Many of the BS participants and some of the PS and NGO participants shared the view that it was the local authorities (LAs) that should be held responsible for any overdevelopment because they were empowered to make all decisions regarding the development of their territories. There was an agreement that the role of LAs was reduced to acting in accordance with investors' plans and "finding suitable justification to legalise the built facilities" (BS9).

The local authorities of [X] granted all planning and construction permits, access to resorts permits ... [Y] initiated the laying out of a detailed development plan for Golden Sands and paid for it, although this should have been done by the LAs or by the central authorities [...]. LAs approved the ever increasing number of beds in the [Y] development plans [...]. LAs' involvement is sporadic and inefficient, although they are always bragging about what they have done for [Y]. (BS3)

The issue of local empowerment appeared controversial and it was felt that looking into the documentary evidence was necessary to corroborate the information and build a timeline of local empowerment.

The research data showed that although BS and NGO informants raised the issue of local involvement in relation to the 2000s, the local PS accounts and legislative acts suggested that the Local Self-Government and Local Administration Act, or else seen as 'the local empowerment' Act, was among the first to be passed by the parliament after the start of transition, giving mayors and local parliaments considerable power in decision making. As PS7 recalled, that 'empowerment' of the local communities dated back to the beginning of the 1990s, when the new legislation granted LAs the power to privatise all municipal properties. However, as the privatisation of the coastal tourist assets in the 1990s was done by the central government (due to the large size of the assets), and all development in that period was largely blocked, the actual involvement of the coastal municipal authorities in tourism development started after 1998, when their responsibilities were described in detail in the Tourism Act (1998). It was the mid-2000s before some of the coastal

territories were acknowledged to have been overdeveloped and, as a result, the decision-making power of LAs in regard to urban development was trimmed by the legislation framework of 2005 - 2008. Under the 2004 legislative changes, large development projects were to be approved not only by LAs but also by the central government, thus limiting the power of LAs.

According to PS7, PS8 and PS9, with the large-scale privatisation done by the government, the power of municipalities was formal rather than real. However, there was another area where the actions of the coastal municipalities seemed to have a great impact – the coastal villa zones. One of the public sector respondents pointed out as his personal contribution the sale of municipal plots of land along the coast in order to improve the well-being of the local community. According to private archives these plots had been allocated to local people long before 1989, giving them only the right to cultivate the land. However, legally or not, these plots were well developed and the local authority's decision only transferred full land ownership and legalised all past construction.

According to PS7 and PS9, the social policy of the LAs considered even the restitution claims and the current or former owners were compensated with plots of land in new territories on the coast. As the respondents recalled, this was a conscious decision and they were confident that the welfare of the local population outweighed the potential environmental damages resulting from the decision. In reality, the status of the villa zones did not oblige the LAs to provide infrastructure. However, the intensive, ribbon-like development that followed the granting of permission for building in the coastal zones virtually created environmental concerns, especially considering that landslides and coastal erosion have always been an issue. In general, all LAs had to attend, on the one hand, to the welfare of the locals with regard to the villa zones, and, on the other hand, to the time bombs in the national privatisation policies, requiring that all privatisers invest in the development of their properties in the resort complexes.

The theme of *local empowerment* emerged as a complex one. In the views of many BS and NGO participants, *local empowerment* constituted the right of LAs to accumulate the tourist tax (Tourism Act, 1998) and to grant planning, building and any other necessary permits for development. The mayors, as heads of the LAs, were placed in charge of tourism development on their territory. As PS1 pointed out, the tourist tax was intended to allow LAs to get involved into tourist promotion and solve minor infrastructure problems. With the new Tourism Act of 2002, LAs were obliged to

plough back the tourist tax for tourism purposes. According to the local PS participants, however, this was an unnecessary move because the money from the tourist tax was far from sufficient to solve any problems. As for the local development framework (permits, procedures, etc), the BS and NGO participants blamed the state for the inefficient regulation framework, and the local authorities for taking advantage of loopholes in the legislation. Not surprisingly, the senior government participants were of the opinion that empowering the locals to assume responsibility for the development was necessary and the right thing to do in the new context of democratisation. However, there was a common agreement that, instead of guarding and preserving their territories, the LAs “followed the investors to such an extent that they destroyed their own territories” (PS6).

The local PS informants raised another critical aspect of the issue – the power to control the development. They shared the contention that while the legislation gave LAs, especially the mayors, great freedom in decision making, once the planning permits were given, the LAs had little (if any) control on the planning enforcement (i.e. making sure that development matched up with the planning permission given). All controlling bodies, as well as the law and order forces, were under a centralised management, and LAs believed that legislation did not allow them to interfere with the growth strategies of the business (PS7). The local power to solve infrastructural problems was further limited by the insufficient findings and the scale of the control work that had to be done. The LAs participants also claimed that there was confusion over the control on large development projects because of the involvement of the local and central government officials, hence overlapping responsibilities.

- ***Other local stakeholder groups***

The interview accounts and the documentary evidence showed that the local authorities (municipal administrations) were seen as central to the concept of *local empowerment*, largely neglecting two groups of local stakeholders ‘empowered’ by legislation – the district authorities and the tourist councils.

With the change in the regional development legislation in 1999, a new administrative level, district authorities (DAs), was introduced to implement the state policy at the local level and act as an intermediary between central and local authorities. One of the study participants, however, argued that the DAs empowerment was ‘on paper’, rather than real (PS10). It was further revealed that the DAs were responsible for the formal development of strategic documents, including tourism

development. However, unlike LAs, DAs had no financial means to implement these strategies and were restricted to formal administrative activities. These views were supported by PS7, who believed that the weak DAs were “a flaw of the administrative system”.

The other stakeholder that played a minor role was the institution of the ‘tourist council’. According to the central PS informants, the local tourism councils were encouraged as a way to increase the local participation in decision-making. PS2 and PS7 recalled the establishment of the first in the country ‘voluntary’ tourism council in Balchik in 1997, and the support it had received at all levels of the government. According to most PS and NGO informants, however, the idea did not work in most places and was left to die out; therefore, in 2004 a new structure was introduced by Law – the consultative councils led by the Mayor of the municipality, which did not work on a voluntary principle.

There was another interesting aspect of *empowerment* that was considered worthy of clarifying. The legislation requires, and some study participants also mentioned it, that planning decisions be approved by the local municipal council. The interview data and some LAs documentation revealed that the mayors, as heads of the LAs, had the almost monocratic power to make decisions. Furthermore, where decisions depended on the local parliament, these were negotiated in advance between the different party groups represented in the local parliament (PS9).

It could be concluded that the *local empowerment*, enforced by the legislation framework, in reality was *empowerment* of the head of the local administration and the political party they were representing. As one of the senior government officials put it, “the local empowerment depends on the mayor” (PS1) and the experience of the local PS participants seemed to fully support this statement.

5.8.3 Stakeholders’ cooperation

The sub-theme of the cooperation between the stakeholders in tourism development came up time and again particularly in the accounts of the local PS, BS and NGO participants. As the study participants had been involved in decision-making at different levels and represented different stakeholder groups, they offered a range of perspectives of the theme. The *cooperation* sub-theme took different variations – lack of cooperation between LAs, BS and the NGOs in Varna

municipality; evidence of good cooperation between LAs, BS and NGO in Balchik municipality; complicated public-private partnership relations; lack of cooperation between the state, DAs (district authorities) and LAs; lack of cooperation between the different government institutions and between the levels; lack of cooperation between the NGOs (the trade associations); cooperation between the environmental organisations. Although Balchik municipality was cited by the majority of the respondents as a good example of cooperation between the stakeholders in tourism development, unlike the Varna municipality, it must be noted that the prevailing view was that it is an exception rather than a common practice, and the lack of cooperation between stakeholders in the context of the whole country has been an acute issue for a long time. The analysis of the data suggested that there were similarities in the views of the participants from different stakeholder groups, even if many were considering the issue from a different perspective.

- *The Public sector participants' perspective*

From the point of view of the senior tourism government officials, the cooperation between the state, the BS and NGOs has been a difficult one. In the 1990s, the non-governmental sector was practically non-existent and many PS participants recalled initiating and encouraging cooperation by establishing local tourist councils in 1996-1997 (PS2), regulating the cooperation between LAs and tourist councils in the Tourism Act of 1998, and establishing National Board of Tourism (PS4). There was a common consent that these measures were unsuccessful.

In contrast to the 1990s, in the 2000s senior government officials pointed out that national trade associations mushroomed (56 in total) and the difficulty for the NTAs was to decide which NGO should be represented in the National Tourism Board. As PS decision-makers pointed out, uniting the NGOs and trying to get them to achieve consent on a national strategy for tourism development was a major challenge:

[X] could not unite the business, because they cannot be united ... The NGOs have never done anything [to assist the state], all they do is rip apart every policy document brought to their attention (PS3).

Other government officials too were facing the problematic issue of a disunited business sector:

It is almost next to impossible to unite the business – these are people who got involved in tourism accidentally [for the profits, taking an opportunity to invest]. They do not know each other; do not have a common vision about the future [development] of the place. (PS6)

The local PS participants admitted that cooperation with the business was very often one-sided, to the benefit of the private investors, and non-existent with regard to the local NGOs. The cooperation with the trade associations was seen by the respondents as a burden:

They [the tourism council] were dealing with petty stuff, like the wages of their staff, who has paid the membership fee, etc., so they did not contribute to the local decision-making. (PS7)

I never had any respect for them [the NGOs], especially the environmental organisations. Every time we proposed a plan, they tried to stop the planning procedures. They seemed not to understand that we wanted to avoid overdevelopment by regulating the territory. If we do not have a plan, the building will take place anyway and it will be even worse. (PS9)

According to some informants the cooperation was even more difficult between the local and the central government due to ‘political predilections’. While one of the senior local officials was confident that the LAs had “the necessary positions to ensure state funding for the transport infrastructure” (PS8), their predecessor believed that they would have achieved more if there had not been political predilections in allocating state finances for infrastructure projects. These conflicting views seemed to suggest that there was no real cooperation between the government levels, but, rather, a distorted cooperation based on political affiliations. The district authorities’ participants appeared to be in even more difficult situation. As they pointed out, the central government simply imposed the policies onto the DAs: “they ask for our opinion, but it is a completely different matter whether they take into account what we say.’

- ***The Business sector participants’ perspectives***

The BS participants shared the view that “there is no cooperation ... attempts were made, but the results are not satisfactory” (BS3). Furthermore, the cooperation with the government was seen as ‘very difficult indeed’, the cooperation with Varna LAs - as ‘distorted’ and the different trade associations ‘do not work together’. On the surface, the cooperation between BS and LAs seemed to

be working, but one of the BS participants suggested that this was a facade: “from an administrative point of view, yes, we *are* represented at the consultative forum [led by the Mayor] ... but in reality ...” (BS4)

Some of the BS participants saw the problem in the lack of communication between the PS and the BS: “there is no one at the other side of the table...there is no one to lead a dialogue with, no one to hear us.” (BS8). Most BS respondents, however, believed that the real problem was in the lack of consensus and unity of action within the NGO sector.

Everyone is surviving on their own and everyone is quarrelling with the rest (BS7).

This disunity within the business sector was clearly observable in the behaviour of the NGOs, particularly the trade associations.

- ***NGO participants' perspective***

Some of the BS participants, who believed that cooperation within the business and, between the NGOs was difficult, also held positions as deputy chairmen in large NGOs. Many of them were sceptical about the possibility of working together.

Cooperation among the NGOs in tourism is impossible ... [even within an NGO] everyone quarrels with everyone else, and the NGOs split. (BS10)

All NGO and BS participants agreed that there was no communication between the PS and the NGOs:

Public authorities do not encourage cooperation: the state does not discuss matters with us, we are not invited, and they are not interested in our opinion. (NGO4)

It was evident that cooperation was a critical issue and, although all stakeholders acknowledged the importance of working together, they seemed to rule out the possibility of making advances in this direction. It was even suggested that cooperation should be regulated in an administrative way because “as long as cooperation is not regulated by the legislation but depends on the free will of the stakeholders” (PS7) it will not work.

5.9 Conclusion

This chapter has shown how the social forces of the transition have mediated the trajectories of tourism development in the destination studied. This was done via studying the interplay between the institutional legacy of the pre-1989, socialist period, and the fundamental transformations that took place in the 1990s and the 2000s. This chapter argued that tourism development in transition is a complex phenomenon and it could be better understood only if the variety factors are taken into consideration. In this chapter these factors were presented as separate themes (and sub-themes) which had emerged from the primary data analysis as ‘the forces of transition’, re-establishing the centres of power and determining the tourism development in the destination studied. These included the extreme ‘*politicising*’ which hampered all business activities through its manifestations: *political influence*, *rent-seeking*, *lack of political culture* and the rise and survival of *illegal capital* under the political umbrella. The data analysis found that the way the tourist business developed (through privatisation or establishing new businesses) and the principles of privatising determined the subsequent approach to the development and the relationships between the actors of development. However, the true influence of ‘*politicising*’ and the transformation of *property rights* could not be appropriately acknowledged had the analysis not included the role of the state – the *reduced involvement of the state* in regulation and control had favoured certain routes of development, observable in the destination studied. The *human capital* in its turn had an impact on all other factors through the capacity of the decision-makers to develop and implement any policy measures, and the *role of the individual* to contribute to the outcomes of tourism development on Bulgaria’s Black Sea coast. The changing ways of thinking of the decision-makers represented the ‘soft’ elements of the system that speeded up or slowed down the transformations and defined the direction and magnitude of change. The *social networks* channelled, the distribution of public property into private hands, thus re-working the power relations in decision-making. Lastly, it could be concluded that one of the symbols of the democratisation of society - *the local empowerment*- to a large extent may have played a negative role in the tourism development being bestowed in the wrong moment onto those who were short on capacity and had limited means to ensure the welfare of the local community.

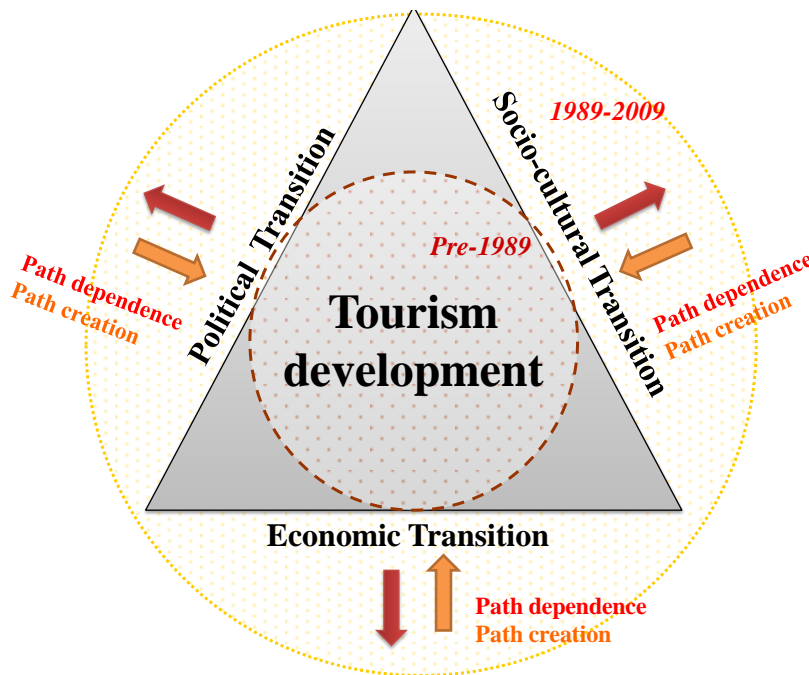
All themes discussed in this chapter explain the ways in which the transition to a political democracy and a market economy transformed the institutional legacies. These also revealed the cause for the delayed, patchy and uneven implementing of the principles of sustainability into the policies and practices. The research data analysis concluded that none of the conditions for sustainable development have been present in the destination studied in the period studied. For this reason all commitments have been premature, made under the pressure of external institutions and not achieving the desired outcome(s).

CHAPTER 6: DISCUSSION

6.1 Introduction

This research examined the impact of the political, economic and socio-cultural transition on the tourism development of a mature tourism destination on Bulgaria's Black Sea Coast, and the implementation of the principles of sustainability in the policies and practices of the tourism stakeholders. Although there is a growing body of research on the impact of economic transition on the transformation of tourism, only a few studies have focused on the traditional coastal tourism destinations (Jordan 2000, Hall 2000, 2003, Alipour and Dizdarevic 2007). This study examined many aspects of transition in the destination studied and adopted a *path-dependant path-creative* approach in seeking an explanation to why tourism development took a particular transformatory trajectory (See Figure 21 below).

Figure 21. The research approach



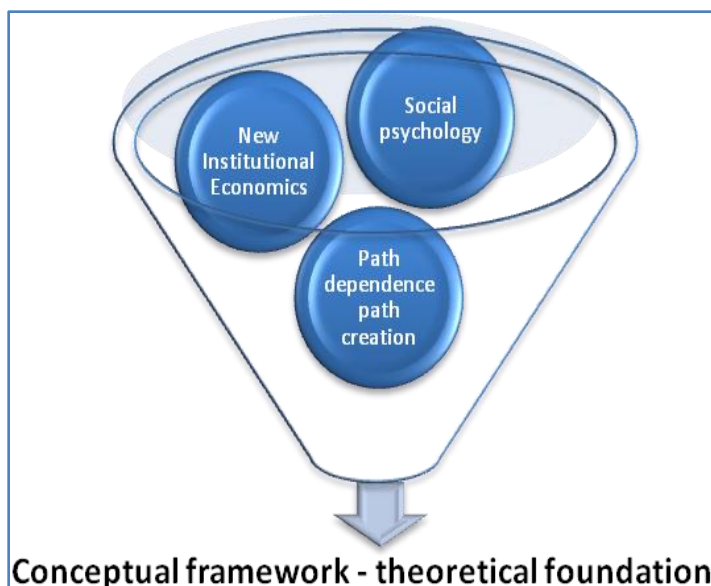
This chapter commences with a discussion of the methodology and its application. First, it looks into the revised conceptual framework. Then, the chapter evaluates the research strategy and the methods, moving on to the limitations of the research and how these were (or were not) addressed with a special emphasis on the relation between the researcher and the researched topic. Finally, it presents a discussion of what has been learnt through the findings.

6.2 Discussion of the methodology

6.2.1 Revised conceptual framework

This research provided evidence in support of the transition-related academic work which suggested that theories based on Western experience needed to be adjusted to accommodate the idiosyncrasies and diversity of processes that have been taking place in the transition societies. It has been of crucial importance to engage with the processes and meanings of transformation as it was lived and experienced by the locally embedded actors in order to find out *what happened* and *why this happened*. On these premises, this research built upon the *path-dependence path-creation* theory

Figure 22. Conceptual framework – theoretical foundation



(Stark and Bruszt 1998) and the understanding that the single-dimensionality of neo-liberal universalism resulted in socially and culturally insensitive policies of limited success (Pickles and Smith 1998, Bradshaw and Stenning 2004).

Furthermore, transition cannot, or should not, be seen as a complete break with the past nor as a predictable historical process. Rather, the emphasis in studying

transition should be placed on the way the past was selectively applied in the social and cultural practices (Stark and Bruszt, 1998); on the study of the contradictions, paradoxes, and different trajectories of post-socialist societies (Berdahl 1997); on the place and time contingent nature of the transition in tourism, rather than to attempt to generalise about the changes in CEE, let alone all post state socialist societies (William and Baláž 1999).

From a theoretical view point the *path-dependent path-creation* approach intersects with the New Institutional Economics theory (see Figure 22) in the contention that actors and actions in transition are usually constrained by the existing institutional resources, which favour some pathways over others. Although within specific limits, social forces can reformulate the rules of the game. According to Burawoy (1999, p. 301) “[t]hose economists who recognize the failure of neo-liberal practice have turned to institutional theories of the economy that advocate evolutionary transformation: instead of destroying the old in the pious hope that the new will spring forth like a *deus ex machine*, they propose constructing the new within the framework of the old”. New Institutional Economics and the *path-dependent path-creation* approach share a common recognition that transferring the formal political and economic rules of successful western market economies to the third world and Eastern European economies is not a sufficient condition for good economic performance. At the heart of the development policy should be placed the creation of government that will define and enforce the economic rules of the game, create efficient property rights. The latter plays a crucial role because property rights institutions structure incentives for economic behaviour within the society and by allocating decision-making authority, the prevailing property rights arrangement determine who the key actors are in the economic system. Finally, similar to the New Institutional Economics, the *path-dependent path-creation* approach acknowledges the crucial role of the necessary conditions for good economic performance, such as the norms of behaviour, conventions, and codes of conduct favourable to economic growth – all of them known as informal constraints. Therefore, the essence of the adopted approach is that of the critical realism: what researchers see is only a part of the bigger picture, and they would be able to understand what is going on in the social world only if they understand the social structures that give rise to the phenomena studied.

The interpretation of the research data analyses concluded that the successful shift in the informal constraints depended on the *mentalities* (*‘old’*, *‘transitional’*, *‘new’*), representing those personality

traits and psychological predispositions that have systematic consequences for behaviour among groups and populations. In the absence of past research in this field, the interpretation of the results on *mentalities* employed a variety of theoretical approaches including the studies of the traditional values of the system (individualist v collectivist) of cross-cultural psychology, the *habitus* in the theory of social change ('making capitalism without capitalists' in Eyal, Szelényi and Townsley 1998), the study of *self* in the Self-perception theory and the nature of stereotypes (prejudices) in the Schema theory (evolutionary psychology). Lastly, the notion of linearity in developing the 'ideal' type of economic behaviour was negotiated with developmental psychology in that childhood and adult socialisation are considered the primary mechanism for reproducing and developing the 'ideal' type. In most simplistic terms this means that only the change of generations will lead to change of 'old' (pre-1989) or 'transition' - related mentalities.

While *path-dependence path-creation* was acknowledged as the most appropriate approach to the study of transition processes, previous studies on tourism development in transition economies have been concerned with detached aspects of the phenomenon. Such approaches led to the lack of a

Figure 23. Factors determining the implementing of the principles of sustainability



single integrated theory on tourism development in transition. The majority of studies focused on conceptualising the economic dimensions of tourism in transition, through the related themes of path dependency, globalisation and re-internationalisation, property rights, markets and regulation, and the polarisation of consumption (William and Baláz 2000). Embeddedness provided an alternative approach to the analysis of changes in the tourist industry embedded in wider economic, political, social and cultural relationships (Riley 2000), which had commonalities with the *path-creative approach*. Another alternative approach employed more recently was the relational

approach which dealt with the networks of interaction that link actors rather than with the personal attributes of actors (Bramwell 2007). It has therefore been recognised that ‘the conspicuous failure to provide an alternative theoretical framework for the economic analysis of tourism partly reflects the isolation of much tourism research from wider discourses on the transition’(William and Baláz 2000, p.37) in anthropology, geography and other social sciences that use (not exclusively) ethnographic methods. This is particularly true in the study of sustainable tourism development which requires a holistic approach to emphasise the economic, social and environmental aspects of development. If socio-economic systems work best when their hard and soft elements are aligned, or are at least compatible, (Tomer 2002), then an analysis of the phenomenon should include both sets of elements too.

The research data suggested that studying tourism development in the context of transition required an understanding of the fundamental societal changes, thus calling for a wide theoretical foundation to encompass the political, economic and socio-cultural aspects of transition. On these premises, the initial conceptual framework was revised to accommodate the concepts and issues raised by the primary research data (see Figure 23). This research argues that decisions with regard to sustainable tourism development are shaped by the manifestations of transition: ‘*politicising*’(taking advantage of the individual’s political position to gain advantage for themselves rather than for a given political party), *property relations*, *reduced state intervention*, *social networks* and *local community empowerment*. These are intertwined with the underlying *mentalities* and the *human capital*.

None of these ‘manifestations’ on their own appeared to be unique neither for the transition context nor for the destination studied. Their multitude reflects the complexity of processes determining tourism development in transition economies and provides an analytic framework for their analysis using a *path-dependence path-creation* (or else, continuity and change) approach.

6.2.2 Evaluation of the research strategy and design

A case study research strategy and design was considered most suitable for this research. The research sought answers to descriptive questions (*What happened?*) and the explanatory question (*How and why did this happen?*). The focus was on studying the tourism development of a specific coastal destination (Varna-Balchik) on Bulgaria’s Black Sea coast over the last two decades in order to explain the relationship between the two aspects of the phenomenon - the transition processes

and the type of development and to add a new aspect: to explain the level of adoption of the principles of sustainability in the 'transitional' tourism development. A case study is also a recommended research method when a study addresses a process question, seeks to identify and explain the changes over time, and reveals how the attitudes and actions of various stakeholder groups has developed tourism (Marshall and Rossman 1989; Robson 2002, Saunders 2007, Stake 1994, in Andriotis 2000).

The use of case study as a research strategy in tourism research has been growing (Xiao and Smith 2006). However, case studies have rarely been employed to illustrate the role of the transition processes in determining the varied tourism development paths with the notable exceptions of Bramwell and Meyer's (2007) research on Germany and Saarinen and Task's (2008) study on Estonia.

From the outset the choice of a case study as the research strategy raised the issue of generalizability (Saunders 2007). The nature of the phenomena studied (transition, tourism development and sustainability) did not pre-suppose statistical generalisation. According to Hall (2000) there cannot be one model of post-communist sustainable tourist development, as each country, sub-region and sector has its own particular characteristics, aspirations and priorities and they all follow different pathways in their transition to a market economy. Furthermore, the studies of processes in transition economies implicitly acknowledge the divergent pathways in the transition which is clearly articulated through the *path-dependent path-creation approach* in the transition context. Therefore, the goal of the proposed case study research was to generalise to theoretical propositions (Yin 2003, p.10). *A-priori* propositions were formulated based on the extensive literature review. These were compared with the results of the primary and secondary data analysis. A detailed review is provided in section 7.2.

6.2.2.1 Components for research designs for case studies

Yin (2003, p.19-39) emphasised the importance of five components when employing a case study research design. The paragraphs to follow aim to evaluate whether and how these five components have been addressed in this research.

Study's question(s): The first element requires the clarification of the nature of the study questions (in terms of 'who', 'where', 'how' and 'why') in order to decide on the relevant research strategy. As stated earlier in this chapter, the present research asks 'whether' and 'if', 'how' and 'why', therefore a case study strategy was selected as the most appropriate.

Study propositions: In order to state clearly what will be studied, propositions were made in relation with research objectives 2, 3 & 4, as discussed in detail in section 6.2.4.3 and Chapter 7 (see section 7.2).

Unit of analysis: The unit of analysis stemmed from the research questions. This research focused on the policies and practices of development of tourism at Varna-Balchik destination on Bulgaria's North Black sea coast and the role of the social forces of transition (1989-2009). The unit of analysis was defined in relatively broad terms from the very beginning, posing a number of difficulties in the course of the research. The reason behind such a broad definition was rooted in the transition context: in other words, in the significant pace and scale of change. Challenges were anticipated in tracing the often quite speedy, sometimes overlapping transformations as local structures had changed dramatically; it was difficult to establish the events' line and who the key social actors were at different moments. Hörschelmann and Stenning (2008, p.353) have also acknowledged that 'the transition from socialism created an atmosphere in which no category, concept, symbol, or reference point could be taken for granted'.

Logic linking the data to the propositions: Yin (2003) points out that the last components of the case study research design are the least developed, but he suggests *pattern matching* as a 'promising' approach. It consists of describing potential patterns (usually rival propositions) and then showing that the data matched one better than the other. This research attempted to do that and although as a whole the approach proved useful, from an evaluation point of view, a weakness was identified. The predicted patterns were not clearly articulated as rival patterns at the outset. One or two a priori propositions related to objectives 3 and 4 were formulated; however, the rival proposition remained unstated. This can be illustrated with the following *a priori* proposition: *The nature of transition processes determines the type of tourism development (the transformation of the existing tourism 'capital' and the 'creation' of new tourism pathways) and its operation (see on page 239)*. The contrasting rival proposition was that *the nature of the transition processes did not*

have a crucial role in determining the type of tourism development and its operation. The transition was studied as the interplay between *continuity* and *change* (in other words, between the forces of transition and the pre-transition institutional legacy) and the research findings confirmed the *a priori* proposition.

The criteria for interpreting the findings: As Yin (2003) acknowledged, there is no precise way to interpret the findings, especially when statistical tests are not involved. For this reason, following Yin's (*ibid.*) advice, it was assumed that as the different patterns are sufficiently contrasting, this allows confidence in the interpretation of the findings.

6.2.2.2 The case study

The adoption of a *single, holistic, longitudinal case study* (as defined by Yin 2003) was chosen as the most appropriate design. The literature review showed that no other research had investigated the tourism development on Bulgaria's Northern Black sea coast from 1989 to the present day as opposed to a study of the south coast in the first half of the 1990s (Koulov 1996). Thus, the selected case could also be regarded as revelatory. The present case study aimed to investigate how the studied destination changed over time and which social forces shaped the specific changes. Therefore it is a *longitudinal* case. The *holistic* nature of the case study was determined by the difficulty of selecting embedded units by using cluster techniques at the outset – all potential embedded units (in this research such were the different settlements – a city, a town, villa zone, resorts) had distinctive features. Every effort was made to overcome the major weakness of a single holistic case study, by breaking the abstract level of study and examining the specific manifestations of the phenomenon at the level of each and every embedded unit, which was seen by the study participants as crucial for determining the trajectory of the tourism development of Bulgaria's north Black sea coast.

Varna-Balchik as a study destination presented a number of opportunities and limitations. It exemplified the distinct aspect of tourism development on the Bulgarian Black Sea coast that are associated with both existing communities and specially created tourism settlements (De Kadt 1979 and Barbaza 1970, in Bachvarov 1999). The research could establish the patterns of transformation of the former (pre-1989) integrated resorts (Golden Sands, St. Constantine and Albena), study the new integrated resorts (BlackSeaRama and The Light House), explore the development paths of a

large coastal city (Varna) and a small coastal town (Balchik) and finally, inquire into the transformations of the villa zones spread along most of the coast. The Varna-Balchik destination (generally referred to in this paper as Bulgaria's North Black Sea coast) reflects the complexities of a planned development before 1989 (Pearce 1989) and a mature mass market destination (Pearman 1990; Carter 1991, Harrison 1993), which experienced the impact of the socio-economic transition of the country in the transition period (Koulov 1996; Bachvarov 1997, 1999, 2006). The study of so many different types of coastal developments did present a lot of challenges, especially considering that there were diverging transformation paths even between the different integrated resorts. Still, this was entirely in agreement with the main principle of transition studies, which required the study of the diversity of transition trajectories.

6.2.3 Research methodology

This research faced the dilemma of most CEE transition-related research: linear, teleological thinking or research that studies the contradictions, paradoxes, and different trajectories (Berdahl, 1997). The choice of a qualitative inquiry was determined by the research questions. These focused on the process of tourism development (*What has happened in tourism? Why did it happen?*), and the attitudes and actions of the different stakeholders (*What did they do? Why did they do what they did?*) in a complex world (the transition) characterized by quickly changing rules and organised by power structures (people and institutions). This called for multiple explanations of the phenomenon studied and the search for a deeper meaning that the social actors (in this case these are the public, private and NGO sector stakeholders in tourism) attached to it.

The commonly accepted stance is that no methodology is superior. The question is what is the best means is to achieve the aims of the research. Tourism development in a transition context is a result of processes of redistribution of power in which a small number of social actors participated. It is these social actors, or decision-makers, not the whole population, that could give the rich descriptions of the 'social world' under study. On these premises this research focused on how these 'agents of social change' interpreted their experience and explained the changes they encountered.

In order to answer its research questions, this research chose to collect data using documentary evidence, observation and qualitative semi-structured interviews. This choice was reconsidered as the research advanced and deeper understanding was gained about the field of study. Despite its

pitfalls, documentary evidence remained as a research method to ensure internal validity, while the qualitative interviews were employed as the main data collection method. The field work showed that any direct observation carried by the researcher would provide only a snapshot picture of the present in a longitudinal study, therefore the use of observation as a separate method was reconsidered and observation remained as a within-method technique.

6.2.3.1. Documentary evidence

Documentation came in the form of public and private sector strategies, programmes, action plans, legislation, research commissioned by different organizations, newspaper clippings, visual objects (such as photographs), as well as documents related to the major processes of the transition period, such as restructuring and privatisation. Typically, documents were retrieved from private archives or downloaded from websites where they have been available for a short period only. Some documents were available in the public archives only, most with restricted access and evidently missing sections.

Documentation and archival reports were not accepted as literal recordings of the events, assuming that documents may not be accurate, as these might have been deliberately edited (Yin 2003, p.87). Where possible, documents related to company transformations were verified directly with their authors. This proved a useful approach, especially as it led to the ‘opening’ of the private archives of some participants.

Another issue was that of the reliability of statistical and other records, as other researchers (Hörschelmann and Stenning 2008 among many others) found and some of the key informants pointed out. For this reason, all documents were treated with caution and confirmation of the information was sought in the interviews as well as in unofficial meetings. The best way to prove the credibility of some documents was to discuss them with those who have elaborated them or documented certain events. Such an approach was risky, as it was expected that those who had produced the documents may defend them to avoid any potential criticism or actions against them. Nevertheless, this research found otherwise: most informants were willing to discuss the credibility of the documents they had elaborated and gave further directions for consideration.

6.2.3.2 *Semi-structured in-depth interviews*

Semi-structured interviews were chosen as the main method for re-constructing *what happened* and *why it happened* (Kvale 1996; Yow 1994). As discussed in the methodology chapter, from the outset a theoretical basis was established to identify the main concepts and themes in order to develop the interview guide. The main conventions were followed, all the prepared questions were asked and similar wording was used in each interview (Bryman 2008). Nevertheless, the interviews had a flexible structure, adjusting (whenever necessary) to the pace and emotional condition of the interviewees. ‘Rambling’ was accepted when it was assumed that it gave an insight into what the respondents saw as important for the topic or assisted the reminiscence. The additional themes and issues which the interviewees raised in the course of the interview formed an integral part of the research findings. Depending on their previous experience (some respondents have been involved for two years, some for more than twenty years) some interviewees were interviewed on several occasions.

6.2.3.2.1 The process of selecting the interviewees

The interview respondents were selected purposefully as ‘decision-makers’ who occupied a position that would have allowed them to take part in the decision making related to the tourism development on Bulgaria’s Northern Black Sea coast, at some time during the period from 1989 to the present day. It was assumed that people who were making the decision(s) know what they did and why, while those, who have not participated in the decision-making can provide only what they think was the case.

Interviewing decision-makers is widely employed in academic research. Most researchers identify their potential respondents from suggestions made by residents and other informants, reports in the media and various documents, and from snowball suggestions made during interviews (see for example Bramwell and Meyer 2007). In this research, the selection of respondents for the in depth semi-structured interviews was done through snowballing, starting from a very broad base to ensure that relevant groups were not under-represented, thus jeopardising the credibility of the research. The pre-determined criteria of ‘decision-makers’ and ‘knowledgeable sources’ were developed in order to ensure transparency and to start the process of snowball sampling. The selection criteria were based on the provisions of the Tourism Act. The initial list included decision-makers from all tiers of government at a national, regional and local level, non-governmental organisations and

academics who had published on tourism development and sustainability in Bulgaria with a focus on the Black Sea coast (but not exclusively) from 1990 to the present day. These criteria allowed the researcher to contact the current (at the time of the data collection) decision-makers, as well as those who occupied similar positions at some time over the studied period. They were asked to recommend current and past decision-makers from the public, business and non-governmental sector and where possible to justify their recommendations. Every new informant recommended new decision-makers and the process was considered completed when no new names came up and all informants, who consented to participate in the research were interviewed.

The selection process had a number of weaknesses which are reported below in two categories.

- ***The selection approach: top-down or bottom-up***

The adopted approach to sampling can be defined as a top-down snowballing approach, which, as the research showed, might have been more appropriate for a more stable context whereby structures do not undergo changes as often as in a transition context. Starting with a ‘decision-makers/stakeholder matrix’ proved useful in setting a framework to sampling, but seemed to suggest that the individuals who occupy a decision-makers position may also be in charge of taking the decisions, when very often this was not the case and placed the contacted individuals in a difficult situation. As other researchers have found, “since many local structures have changed dramatically in post-socialist societies, it can also be difficult for a researcher to establish who the key social actors are and what roles other community members occupy. Many social networks have become so fractured and loose that researchers encounter problems in finding informants that are well enough placed to help them gain access” (Hörschelmann and Stenning 2008, p.361). A further issue was that the lack of trust was still very strong (as recently confirmed by Cooper 2007) and individuals were not willing to reveal those who stand behind them and determine the decisions. Many executives at first refused to participate and did so only after an individual at a senior position in the social network contacted them. Thus, snowballing as a technique proved less effective than expected and the first wave of responses to the written communication was rather discouraging. These problems can be seen as embedded in the socio-economic context of the transforming society and not unique to the research location. Rising levels of criminality at the time of data collection (see Kostadinov 2009 on ‘the kidnapping business’) affected the public and business sector decision-makers and limited access to them. On the other hand tourism development was a critical

issue for the whole Black Sea coast, because of the scale of development and decision-makers were reluctant to discuss what happened and why it happened. Many of the study respondents were involved in the privatisation of infrastructure, hotels and tourist services companies and their own decisions were publicly criticised for the escalating problems for the whole tourism destination.

An alternative approach would have been the bottom-up approach which is often applied in similar contexts. It requires starting the snowballing process by rigorous analysis of national and local press archives to identify decision-makers of the present and past, alongside contacting distinguished members of the local community who have been involved in general development of the region. It should also be noted that individuals, not directly related to the researched topic were more willing to provide personal contact details, thus giving the actual access to the informants. At the same time, in the adopted approach, only a few of the decision-makers provided details as to where and how a recommended informant could be accessed.

- ***Establishing contact and communication with the informants***

The initial contacts with potential study participants to start the snowballing process were made by e-mail in order to save expenses and in two instances by post where e-mail addresses were not available. The response rate to the adopted self-filled 'matrix' approach was very low. In telephone conversations the contacted individuals acknowledged that they had been, or are at present, decision-makers and consented to a introductory meeting before they could decide whether they would participate in the study or not. However, they did not recommend further contacts in writing. Furthermore, one of individuals approached suggested in a return e-mail that the selected approach (asking decision-makers to recommend in written correspondence other decision-makers who have been involved in the development of tourism over the transition decades) was not appropriate for the setting studied. Once the personal meetings started the decision-makers were much more willing to share their personal experience and recommend further informants. This came to emphasize the importance of selecting approaches to the study field which would be appropriate to the context and more acceptable to the local ways.

- ***Time-span of the research***

A further limitation to the interviewing was the time-span of the research and the need to reconstruct events which happened over a period of two decades. A useful approach proved to be

conducting an introductory meeting during which the informants were asked to recommend other individuals. In order to remember names and institutions from the past, people had to go over what happened over the past years, which was a useful preparation for the actual interview. However, this process took longer than expected. Tourism development in particular has been a sporadic, uncoordinated and in some cases even unplanned process. For this reason, while it was relatively easy to come up with the names of business sector decision-makers, it was challenging to distinguish public sector decision-makers and even more difficult to name NGOs or individuals from the non-governmental sector.

As a rule, it was seen as appropriate to first conduct a short introductory meeting with each one of the respondents, aiming to establish rapport and trust, fill in the stakeholder matrix with recommended names and discuss confidentiality issues. Due to the time constraints of both the interviewee and the interviewer, this was often not possible. Access to the respondents and the interview process differed depending on the type of the decision-maker, whether they belonged to a network and was dependent on peers and superiors (common for the public and business sector respondents at senior executive position) or preserved relative independence (company owners, top executives, heads of local government, e.g. governors, mayors). In order to choose the most appropriate 'access' and 'trust establishing' strategies, extensive preparatory work was done in order to become familiar with the personality, career and the network (where applicable) of the potential interviewee.

6.2.3.2.2. The interview process

Piloting an interview schedule can provide researchers with some experience of using it and can give them with a greater sense of confidence (Bryman and Bell 2003, p. 170). For the purpose of this research, three pilot interviews were conducted to check whether the topics in the interview guide elicited rich and detailed information. These also provided an opportunity for the researcher to rehearse, assess and correct the interview process, before starting the actual interviewing. Every effort was made to ensure that different stakeholder groups were represented in these pilots. However, the original intention to conduct pilots with stakeholders from a different tourist region proved impossible due to the short time available to identify decision makers, find their contact details and gain access to them.

The pilot interviews raised a number of important issues which were taken into account before starting the actual interviewing.

- *Chronological versus thematic style of conducting the interviews*

The chronological style was adopted as eliciting richer more detailed and orderly accounts.

- *Appropriate length of the interviews*

Although the appropriate length varied in accordance with the length of experience and partially with age of the respondent, it was decided that the maximum length of two hours for a single interview meeting should not be exceeded and where necessary respondents would be interviewed on a number of occasions.

- *Probes and prompts to enable the reminiscence process*

Where applicable and available, information about the past career of each respondent was retrieved from different sources and used in probes and prompts to enable them relate past events with their personal life.

Piloting interviews was a training exercise for the researcher, not only in dealing with the interviewees, but also in formulating friendly and non-threatening ‘why’ questions in an inquiry on sensitive topic(s).

The actual interview process was based on time-lines and the development of tourism was reviewed period by period, starting with the earliest, identified by the respondent. The primary data was collected between April and November 2009, but information was sought for a 20-year period from 1989. All respondents involved in the development of tourism before 1989 compared the situation over the 1990s and the 2000s with that of the socialist period. It would have been an advantage to do an immediate transcription of the interviews, which was not possible due to the intensive schedule of field work. However, where second and third interviews were conducted, the records of the previous interview(s) were played and listened to repeatedly to determine the themes covered, and the extent to which answers for the questions were exhausted. The respondents’ interpretations

were triangulated through comparison with the comments of the others and with archival sources in order to check the veracity of people's recall.

6.2.4 Data analysis

The approach selected for organising and analysing interview data was thematic analysis (Boyatzis 1998) and the *Framework* method in particular, described by Ritchie and Spencer (1994) and Bryman (2008) among others. *Framework* provides a straightforward procedural structure to which research data can be applied when qualitative data analysis software is not available. It involves five key stages:

1. Familiarisation
2. Identifying a thematic framework
3. Indexing
4. Charting
5. Mapping and interpretation

This research followed each one of the key stages defined by Ritchie and Spencer (1994) and brought empirical experience to the relatively limited application of this method in the tourism research context (Brunt and Courtney 1999). The sub-sections below describe how the analysis was done to meet the criteria set by Ritchie and Spencer (1994) and to deal with the challenges related to the employed method and the research context. Due to the relative scarcity of reported application of this method this section on data analysis is more descriptive than evaluative in nature.

6.2.4.1 Stage 1: Familiarisation

Since all interviews were recorded, transcribing (all) and translating (selected) text were issues that needed special attention when preparing the interview data for analysis. In this research all interviews were conducted in the language native to the study participants - the Bulgarian language. 'Transposing' the spoken word from an audio-recorder into a text (transcription), and 'transposing' the spoken word in one language into another language (translation) were tasks that involved judgement and interpretation (Marshall and Rossman 2006, p.110).

All interviews were transcribed verbatim in the language of the interviews. ‘Hmms’ and ‘uh-huhs’ were included, as well as false starts, repetition of words and phrases. It was assumed that repetition may not be just a speech pattern; the speaker might be troubled about discussing a specific topic or event. Allen’s (1982, in Yow 1994) advice was followed that the only alterations acceptable in creating a transcript should be those that enhance the reader’s awareness of what was actually said. In the transcripts the words the informant had emphasised were presented in bold. Notes about the non-verbal gestures were put in parentheses, e.g. (pounds on the table). Where necessary mispronounced words and the correct meaning were indicated in a footnote on the transcript. Where it was necessary to clarify something, clarifications were placed in brackets. Different discursive styles (for instance, ‘looping’ from one topic to another) and linguistic patterns (such as long pauses in conversation) contributed to the challenging nature of transcribing and subsequently, of drawing inferences, as sometime meanings were not always transparent at a manifest level. This proved especially true, given that the interviews were conducted in the native language which has a different linguistic pattern from the language of the research.

Translating from one language into another involves the issues of connotation and meaning which makes the issues much more complex than the transcribing alone. In this vein, Temple and Young (2004, in Marshall and Rossman 2006, p. 111) raised three main issues for consideration: “(a) whether to identify the translation act in the research report; (b) whether it matters if the researcher is also the translator, and (c) whether to involve the translator in analysis.” It is an ethical imperative to make clear from the very beginning of this research that translation occurred, but in order to avoid unconscious bias all transcripts were consulted with a professional translator and sample transcripts were fully translated by the same individual. In order to ensure accuracy and subtlety in translation words or phrases which did not translate easily into English language were included in the original language in the final quotes and a linguistic explanation was provided.

6.2.4.2 Stage 2: Identifying a thematic framework

At this stage a framework (also referred to in the literature as ‘index’ or ‘codebook’) was devised following Ritchie and Spencer’s (1994) advice to draw upon the a priori issues, the emergent issues and the analytical themes arising from the recurrence of particular views and experience. Thus, the issues introduced by the research questions were complemented by the key issues raised by the respondents themselves in the interviews. This draft framework was constantly updated with the

reading of each consequent interview transcript. The new themes which emerged repeatedly were scrutinised for nuances and possible different meanings in the case of different contexts in which the respondents operated or have been operating (e.g. period, stakeholder role).

An important starting point when devising the initial thematic framework was to clarify the slight confusion in academic literature due to using different linguistic terms covering the same content. For reasons of practical clarity the terminology adopted in this study was the one specific for the chosen approach: *themes* and *sub-themes*, as referred to by Ritchie and Spencer (1994) and Bryman (2008). The *sub-themes* were used in a similar way as the *codes* in ethnography, and respectively as *the basic and the organising themes* in the network analysis (Attride-Sterling 2001). In this researcher's experience some sub-themes were also built of lower-order themes, which for lack of other universally agreed term were labelled *categories*, as in Ritchie and Spencer (1994). The *core themes* corresponded to the *major research categories* and to the *global themes*.

In the academic literature a 'theme' is the term used to represent the recurrent pattern in the text that interprets aspects of the phenomenon under study. In this research a 'theme' was identified at the *manifest* level (directly observable in the respondents' accounts) and at the *latent* level (interpretative level, providing the answer to the 'What does it mean?' question) (Boyatzis 1998). All efforts were made to ensure that the categories and sub-themes were distinct and close to the concrete description in the text. The search for themes started from the basic, lower-level theme derived from the text, working towards a more abstract sub-theme. Once the sub-themes were identified, the next stage was to look for the main ('central', 'core', 'global') theme, which was re-occurring (Braun and Clarke 2006, Boyatzis 1998 among others).

Qualitative analysts (Ryan and Bernard 2003, Bryman 2008) recommend a number of ways to search for themes. In this research four of those were employed: looking for repetitions, looking for missing data, looking for similarities and differences, and looking for theory-related material.

- ***Looking for repetitions***

Some of the key themes occurred again and again in the data. For instance, all respondents who talked about the period from 1989 until 2000 contended that the privatisation processes were one of the major characteristics of the tourism development and it was the specific privatisation model

(‘unit-by-unit’ or ‘privatisation as a whole unit’) that determined the type of subsequent development and the related outcomes. *Privatisation* was later clustered into a theme of higher order – *property rights*. Another example is the recurrence of the views among all respondents that the persistence of old ways of thinking (mentalities) and certain national characteristics (stereotypes) have influenced the type of tourist development.

In general, when searching for an explanation for the specific trajectory of tourism development, the emerging issues were associated with the perceived ‘politicising’, property rights, lack of involvement of the state in regulation and consistent policy-making for tourism development, the human capital, transforming mentalities, local empowerment and social networks. Since these issues occurred in each and every respondent’s account it seemed logical to conclude that these were important themes that explained the path of tourism development in the destination studied. These issues were seen by the respondents as interrelated and not placed in a hierarchical order.

- ***Looking for the missing data***

Wheeller (2004, p.474) advises, “Don’t believe everything you are told. But believe you are not told everything”. This scrutiny-based approach was considered useful when respondents intentionally or unintentionally avoided talking about political influence in the light of their personal experience. Typically, respondents hinted how corrupt the system has been, ‘how the others did it’ and emphasised that no one could escape ‘rent-seeking’, implying that they too were involved in one way or another. In such cases, the ‘missing data’ was compared with the accounts of other interviewees, data from informal conversations and documentary evidence (usually newspaper reports), in order to avoid doubts that the researcher has discovered only what they have been looking for. An indication for ‘missing data’ was usually phrased as: ‘What more can I say about this that has not been said before’, ‘I do not want to talk about [...]’ or ‘There is no state policy, no vision, no conceptual understanding of what tourism is’ type of general statements.

- ***Looking for similarities and differences***

This approach was found useful when exploring the views of different groups of stakeholders in relation to certain themes. For instance, the public sector stakeholders claimed that they had done everything possible to initiate a dialogue and cooperate with the business sector and the non-governmental organisations, yet cooperation has proved impossible; the business sector placed the

same claims – they argued that they had made repeated but unsuccessful attempts to cooperate with the public sector. There were differences in the views on tourism policy and planning even within the same stakeholders' group: for instance the public sector respondents at the national level. Different sides agreed that despite the numerous meetings and discussions the 'other' side had not taken any actions. The emerging theme at a manifest level was the distancing of decision-makers from the very institutions (structures) they represented. At the latent level the theme which emerged was related to the persisting old mentalities among senior officials that issues were solved not through a dialogue and cooperation, but in the persisting authoritarian style.

- ***Looking for theory-related material***

The fourth technique for exploring themes was using the theory related concepts. In this research, an example of such a concept is *local empowerment*. It had two aspects in the respondents' accounts: politics of empowerment and stakeholders' cooperation.

Using all four techniques proved very useful in discovering themes in textual data and came to confirm Ryan and Bernard's contention that "In theme discovery, more is better" (2003, p.103).

6.2.4.3 Stage 3: Indexing

Once the *Index* was devised and tested on three pilot interview transcripts and four actual interview transcripts, it was then applied to all the interview data. Ritchie and Spencer (1994) recommend that indexing references are provided on the margins of each transcript by a numerical system which links back to the index, or by a descriptive textual system based directly on the index headings. This research applied the second option. The text was split into basic units of analysis, 'chunks', which ranged between short phrases to whole paragraphs. Each 'chunk' was selected using the *Comment* function of the Microsoft Office and linked to box in the margin of the page, which contained a distilled expression of the issues raised by the respondents. In view of the analysis, and to facilitate the retrieval of the data, after reviewing the first transcripts, the content of each *Comment* box was organized in the following way: the issues derived from the data during the reading and re-reading were presented in lower case; the recurrent and more central themes were presented in uppercase; and the central/core theme were added in uppercase and a different colour. The *Comment* boxes also contained a brief descriptive text in English language and/or quotations, which were considered apposite for placing in the framework matrix. Where it was seen as appropriate, the same text was

linked with a second comment box which contained the researcher's comment and questions that had emerged from reading the accounts, in this case the text in the box was given in a red colour to avoid confusion with the first type of boxes in which the text reflected entirely the views of the respondents.

6.2.4.4 Stages 4 & 5: Charting, mapping and interpretation

In this research inquiry, the final two stages took the form of building up a total of 15 charts (matrices/tables) and their subsequent re-working to facilitate defining the concepts, creating typologies and finding associations in order to proceed with explanation and interpretation (Ritchie and Spencer 1994). Charts were done in a thematic manner – for each theme across all respondents (see Appendices 14 and 15). Although Ritchie and Spencer (1994) recommended that thematic analysis should not involve 'cut and paste' approach, but abstraction and synthesis, the 'charting' in this research involved the former to a certain degree. This researcher realised that the more index-like were the entries, the greater the threat of being alienated from the original text. For this reason, while all charts represented a synthesized version of the relevant responses of the study participants, in many instances the enhanced entries were complemented by quotations which provided 'grounded meaning to the material' (Brunt and Courtney 1999, p. 503). The final thematic matrices allowed to compare and contrast the views and experiences of the study respondents, and to search for patterns and explanations (see Appendix 16).

6.2.5 Credibility of the research

The issues of reliability and validity are crucial in scientific research and even more so when a single case study strategy and a qualitative approach to research are adopted. Whether this study will use the terms reliability, generalizability and validity, or adopts the alternative criteria of trustworthiness and authenticity (Bryman 2008; Decrop 2004), this research acknowledged that in order to demonstrate rigour it has to respond to criteria against which the quality can be evaluated.

6.2.5.1 Triangulation

Triangulation has been considered the most comprehensive way of building trustworthiness into the research design (Decrop 2008, p.161). Information coming from the different perspectives of the stakeholders' groups studied, and from different sources of evidence, can not only be corroborated

but also can limit the researcher's biases and enhance the trustworthiness of the research. This research has chosen a variety of triangulation techniques, including data triangulation (comparing of data from different sources, statistics, state documents, private archives, newsletter clippings, project research), method triangulation (by combining interviews and documentation) and informant triangulation (a broad range of informant were included in the interview samples).

6.2.5.2 External validity (or transferability)

It has been acknowledged that the findings from qualitative research, and the use of a single case study strategy, may not be applicable to another group or settings. In order to deal with this issue the present research chose to use a theory, which is a recommended strategy especially when a single-case studies strategy is adopted (Yin 2003). From the outset the research was guided by an initial conceptual framework.

6.2.5.3 Internal validity (or credibility)

When addressing the issue of how truthful the research findings will be, the technique selected as appropriate for the research topic was pattern matching. It is further contended that research is credible when the theoretical propositions conform to the interview and observation data (Decrop 2008, p.159). Respondent validation is a much recommended technique (Bryman 2008, Miles and Huberman 1994). However, although arrangements were made in this respect, these were cancelled for reasons of confidentiality. It was also difficult to ensure that the respondent(s) selected would have been involved in tourism development for the whole studied period of two decades.

A priori propositions related to the research objective were developed to address the issue of the internal validity of the research. These are presented below.

Proposition 1. During the transition period (1989-2009) Bulgaria's North Black sea coast was developed in a non-sustainable way because of:

- perceived overdevelopment and urbanisation of the coast;
- lack of continuity in policy-making;
- lack of integrated planning, regulation and control;
- giving priority to economic growth over social and environmental considerations;
- not taking into account the interests of the local communities.

Proposition 2. The nature of transition processes determined the type of tourism development (the transformation of the existing tourism ‘capital’ and the ‘creation’ of new tourism pathways) and its operation.

Proposition 3. The pathways of tourism development were determined by the existing legacy (institutions, development models, networks, etc.) and shaped by current social forces.

Proposition 4. The features of political and socio-economic transition have been in contrast with the concept of sustainability and hindered the implementation of the principles of sustainable development. Tourism development (as with any other development) and sustainability have been a reflection of (a) the general state of development in the country and the region, (b) the priorities of the ruling social group/class and (c) the perception of sustainable development which this group holds. The transition to sustainable development required the presence of certain preconditions, such as secure property rights, democratic governance, sectoral coordination and policy integration, precaution and adaptation to local/regional conditions and limits, environmental and social stability, democratic governance, sectoral coordination and policy integration. All these preconditions were in an infancy stage in the transition countries, although some countries (and even regions) lagged behind others in certain aspects of general development.

Proposition 5. Sustainable forms of tourism development were more successful in the smaller towns and largely irrelevant in the large cities. However, contrary to the initial proposition that sustainable tourism was a major problem for the large, mono-cultural resort complexes, the research findings showed that this was true for resorts of multiple ownership, while resorts owned by a single owner demonstrated a high degree of success in implementing the principles of sustainability.

These propositions were compared with the actual research findings and a detailed account is provided in the Evaluation chapter (section 7.2).

6.2.5.4 Reliability (or else dependability)

This research developed an extensive case study database in paper and electronic format, which has been recommended as a way of demonstrating that the results are consistent and reproducible (Yin 2003). In this way the research would be able to demonstrate correspondence between the data collected and what occurred in the researched setting.

Although every effort was made to ensure the trustworthiness of the research findings, due to the adoption of the case study strategy, the results may not be directly transferrable to other similar cases of coastal tourism development. The tourism development was studied in a bounded time-span, in which development intersected with the processes of political and socio-economic transition and the need to take into account the principles of sustainable development. The respondents' accounts (re)present the world views (attitudes, experiences) of all stakeholders groups, who have played a crucial role in the decision-making and implementing the decisions over a period of two decades, yet the access to some individuals (fortunately very few) has proved impossible for reasons of location and death, and there was always the chance that their input could have added new insights.

By studying the processes of tourism development through the views and interpretations of the insiders, the research attempted to minimize bias, which might have been a possibility due to the researcher's previous involvement in the processes being studied and might have affected the interpretation of the data. The existing knowledge and experience of the researcher have been applied in deciding on the ways to gain access to the research field, in establishing the rapport, in formulating the follow up questions during the interviews, and in the interpretation of the interview data.

6.2.6 Ethical considerations of the research

Qualitative research raises a number of ethical issues which should be anticipated in advance and borne in mind throughout and after the data collection. These include informed consent, anonymity, confidentiality and harm to participants.

6.2.6.1 Informed consent

All interview participants were sent an information letter that introduced clearly the research topic, research objectives and main research themes which would be discussed during the interview. The letter informed them of confidentiality issues, their right to withdraw from the study at any time they chose and the anonymity of data. In most instances the research topic and of the anonymity issues were discussed again with the informants in personal meetings which usually preceded the actual interview sessions. Before the first session permission was sought to record the interview(s).

Participants were informed that they had the right to refuse to answer any particular question and the right to ask that the voice recorder be turned off. Very few of the respondents used this right.

6.2.6.2 Anonymity and confidentiality

It is the duty of the researcher to protect the anonymity of their respondents especially in sensitive research. It has been acknowledged that due to the small sample used in qualitative research it is not always easy to protect identities (Holloway and Wheeler 2002). In compliance with the commitment to anonymity none of the following were revealed: the name and position, affiliation to a particular organisation and time period during which the informant has been involved in the decision making process with regard to tourism development in the destination studied. It was considered safe to give the interviewees a number preceded by the initials of the stakeholders' group they were associated with – PS (public sector), BS (business sector) and NGO sector. It was assumed that an understanding of their experience could not be fully obtained without knowledge of their affiliation to a stakeholder group. The anonymity of the respondents was further enhanced in section 5.2. This section deals with issues of particular sensitivity therefore all numerical values of the references were changed. In this way it would be unlikely to identify a particular respondent if all their references were put together. The disclosure of the group membership was not changed as it was essential for this research. During the data analysis responses were grouped according to categories of participants, however, every effort was made to make it unlikely that a comment could be attributed to a particular participant. This was done at the expense of the richness of quotation pool: it was feared that a specific type of expressions may reveal the personality of the interviewee.

Confidentiality requires the researcher not to disclose information that study participants do not wish to share with others. Although there have been no specific wishes on the part of the participants, this study did not provide any personal details that would potentially identify them to some people.

6.2.6.3 Harm

The ethical issues require also that the researcher should not create harm or distress to the informants. This is particularly true when the information shared is of a sensitive nature. Some of the personal experiences the informants had to revisit brought back intense negative emotions related to their experience as decision-makers. Out of twenty four interviewees, twenty two got very

emotional in the course of the interview and the interviewer had to change the subject to allow the interviewees to regain composure; two of the respondents had severe health problems resulting from the stress experienced during their involvement as decision-makers; one was physically attacked; one's life was threatened; five others were publicly accused of activities which they felt they had not been involved with; two of the interviewees asked me to stop the voice recorder because they felt that their information may threaten their current career should it be publicly disclosed. Every effort was made to handle the respondents with sensitivity and care and this was acknowledged by the interviewees in the depth of the information shared and the time dedicated, in some instances of up to 8 hours spread over a number of occasions. Although some of the interviewees were initially reluctant to participate, once a rapport was established they changed their attitude and none of the participants withdrew from the interview process.

6.2.7 Limitations of the research

Many of the limitations of the research were already discussed within the relevant sections, including the possibility of a bias due to the selection of informants and the challenges stemming from the time-span of the study (see 6.2.2.3). This section focuses on issues of researcher's bias.

The potential prejudices of the researcher have always been in the focus of the research community in evaluating reflexivity issues. By studying the processes of tourism development through the views and interpretations of the insiders, the research attempted to minimize bias, which might have been a possibility due to the researcher's previous involvement in the processes studied, and might have affected the interpretation of the data. Issues of researcher bias and the potential prejudices of the researcher have always been a concern for the research community. As Aronson (2008, p.305-306) put it, "It is easy to be smug about other people's prejudices, especially if you don't share them; it's harder to see our own. Even scientists, who are trained to be objective and fair-minded, can be influenced by the prevailing prejudices of their times [...W]hen we are reared in a prejudiced society, we often casually accept its prejudices. We don't even look at scientific data critically if it supports our biased beliefs and stereotypes about some group." This has been seen as particularly relevant to the present research as it was concerned with the cultural issues as mentalities among others.

Another dichotomy was seen as relevant in evaluating the reflexivity issues – the internal v external researcher. They both have their limitations and advantages. According to van Maanen (1995) and Wolf (1996) the external researcher needs to negotiate the contradictions between understanding the context-specific social interactions, the interpretative schemas and the epistemological risk of bringing one's own, theoretically informed interpretations to the research. On the other hand, the 'native' researcher may be able to access spheres closed to external observers and hold deeper insights into local cultural constructions. Nevertheless, the position of the internal researcher in the field can be compromised by the assumption of 'being one of us'. Furthermore, in their interpretations and representations they face problems of commitment to, and compliance with, the norms accepted 'back home'. Taking van Maanen's (ibid.) warning into account, this research made every effort to discuss these limitations in the relevant sections of the research, especially as this researcher has been burdened with the limitations of a dual identity (that of a researcher and of an insider), and yet could take advantage of being 'a native' researcher. The existing knowledge and experience of the researcher were applied in deciding on the ways to gain access to the research field, in establishing the rapport, in formulating the follow up questions during the interviews, and in the interpretation of the interview data. The knowledge of the native language and the typical 'jargon' constructions used by tourism professionals was an advantage in defining areas which needed deeper 'digging up'.

Researcher's bias is inevitable when a semi-structured interviewing is employed and even more so at the stage of interpreting the data. The position of the researcher being of a native origin and with a background in the industry and academia of the destination under study may have facilitated the access to the research field and the level of disclosure. Nevertheless, it must be acknowledged that this position might have also restrained interviewees from disclosing certain experiences with the contention that the researcher 'knows that already'. In some instances respondents only marked certain events and if the researcher had not asked for clarification important insights might not have been obtained. Consequently, it should be accepted that the researcher might have missed opportunities to probe, thus over-relying on the prior knowledge. As the research explored the personal experiences of the decision-makers, it appeared difficult to adequately interpret the individual accounts without learning about their personal life. Thus the personal biases of the

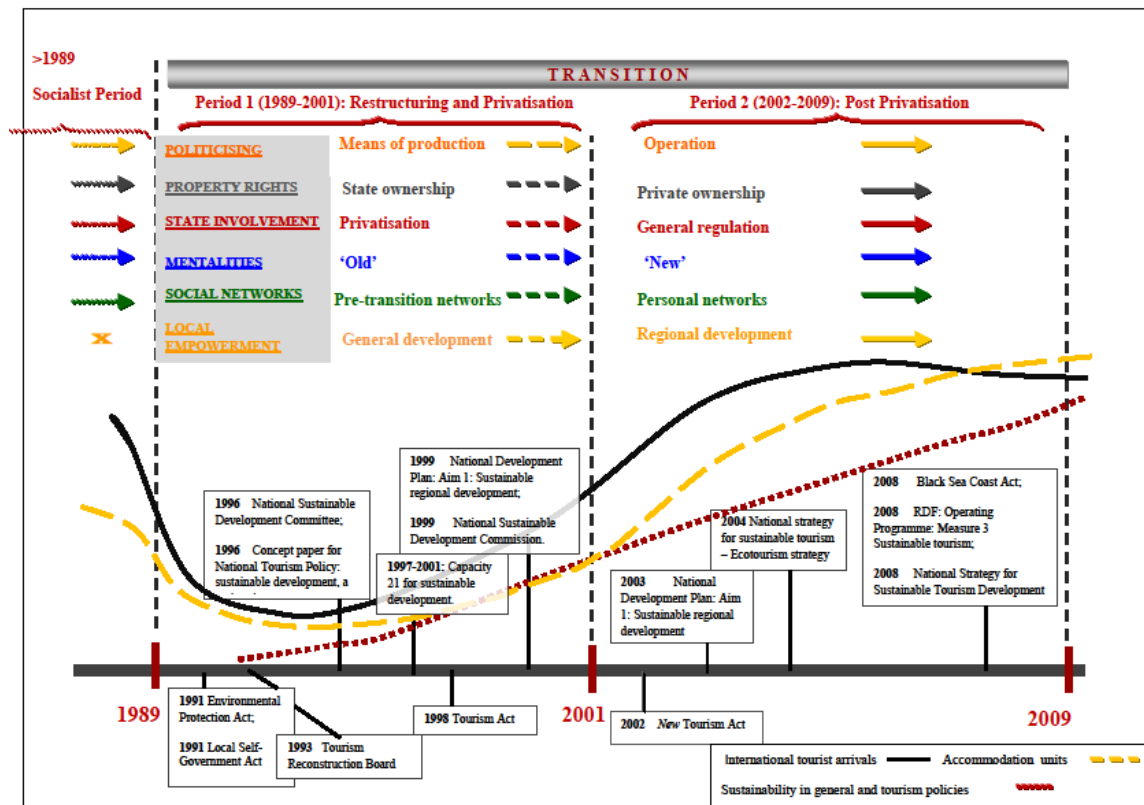
researcher may have influenced the research process by encouraging some topics over others in conversations, thus assigning them more importance in the final account than they deserve.

6.3 Discussion of the findings

6.3.1 The findings of the research inquiry at a glance

Tourism development on Bulgaria’s Black Sea coast is presented in Figure 24 below with regard to the major periods, themes and policies studied in this research. It also employs international tourist arrivals and number of accommodation establishments to relate *what happened on the ground* with *what were the causes* behind these changes. The diagram is explained in the paragraphs below.

Figure 24. Tourism development on Bulgaria’s North Black sea coast: periods, themes and policies



Tourism development in transition economies: an evaluation of the development of tourism at a Black Sea coastal destination during political and socio-economic transition

As stated in the previous chapters, this research found two distinguishable periods of tourism development in transition marked by the prevailing ownership rights of the means of production. Period 1 looked into the 1990s (1989-2001), when the bulk of the tourist assets were restructured and privatised. Period 2 was concerned with the 2000s (2002-2009) when, following the privatisation of the state tourist assets, tourism development took different trajectories. Adopting the *path-dependency path-creation* approach called for the introduction of one more period covering the decades preceding the transition (pre-1989). The introduction of the socialist period was necessary in order to illustrate the institutional legacies which were reworked by the social forces in Period 1 and Period 2. While this research focuses on the transition period (Period 1 and Period 2), in order to answer the *why* research questions, the study had to investigate what exactly was the legacy at the starting point of transition.

This research introduced the pre-1989 socialist period to illustrate the *Legacy* at the outset of transition which predetermined the transformation and development of tourism in the subsequent period of transition. Although tourism was performing well, there were signs of stagnation due to ageing facilities and underfunding. The theme of '*politicising*' was difficult to distinguish due to the specifics of the system – the amalgamation of state and party governance. The extensive tourism assets were state-owned and operated in a centralised way. The state was involved in all aspects of tourism development. The mentalities formed over the socialist period were enforced and perpetuated by an entire generation of decision-makers, many of them through participation in social networks. Due to the centralisation of decision-making of all activities before 1989 local empowerment with regard to tourism development was practically non-existent (see Figure 24).

As Figure 24 above shows, during Period 1 there was a sharp decline in tourist arrivals and in the number of accommodation units (between 1990 and 1996) and a gradual increase towards the end of the period when all state-owned tourism assets were privatised (between 1997 and 2001), including the major resorts in the destination studied. The national legislation and regulation framework evolved with a marked emphasis on the environmental, local-governance issues and tourism reconstruction. After 1996 the concept of sustainability was increasingly present in all major policies: planning, institutional capacity and project financing. During this period the theme of *politicising* (the overdependence of private business on political decisions through the specific

manifestations) was interrelated with the change of the ownership of the means of production and the different methods employed. The ownership of the inherited tourism assets in most of the period belonged to the state and only between 1997 and 2001 gradually was transferred into private hands. The state involvement focused on the privatisation of the assets. Since the 'old' management of the tourist assets was in place, the 'old' mentalities, inherited from the pre-1989 period persisted in most of the period being adjusted to the new context. The *pre-transition trade networks* co-existed with the emerging *personal networks* established to participate in the privatisation. *Local empowerment* (decentralisation of decision-making) was established by legislation at the outset of the changes but gathered speed only at the end of the period with the passing of the acts on regional development and tourism, and with the re-development that followed the privatisation of tourism assets.

In the second sub-period of transition (Period 2: 2002-2009) both tourist arrivals and accommodation supply increased significantly and towards the end of the period studied arrivals stagnated, while the number of accommodation units continued to grow. Supply exceeded demand. Tourism regulation was constantly updated and the focus on sustainability reflected in the national strategies for tourism development (2004 and 2008) and the attempts to limit the construction on the Black Sea Coast (2004, 2008). However, the previous chapter indicated there has been a significant difference between policies and implementation. The influence of *politicising* moved from the means of production (as in Period 1) to the operation of the tourism businesses. The property rights were exclusively private, with the new power structures reflecting the way the privatisation was done in Period 1. The state was no longer involved in the privatisation (as in Period 1); it focused on the general regulation and policy-making. The 'old' mentalities were entirely adjusted to the new context and from the private ownership emerged the 'new' mentalities which dominated the second period. The *pre-transition networks* have died out and the *new personal networks* dominated all activities. *Local empowerment* was no longer involved in general development and capacity building but focused on the concrete priorities of local/regional/destination development.

The transformation of tourism in the destination studies are depicted in more detail in the subsections below which present the discussion of the findings.

6.3.2 Tourism development on Bulgaria's Black Sea coast

6.3.2.1. *Tourism development and sustainability*

The study revealed that between 1989 and 2009 the socio-economic level of development of the country, which underwent fundamental societal transition changes, determined the lack of proactive, consistent and long-term policies aimed at the sustainable development of tourism. Throughout most of the 1990s, *tourism development* was perceived by the study participants as dominated by the transformation of property relations and the establishment of a regulatory framework, rather than by any physical development of facilities. In contrast, post 2000 public policy documents present *tourism development* as committed to sustainability and diversification (see also Appendices 10 and 11). However, interview data analysis showed that, with some exceptions, the prevailing business policies and common practices in the destination studied aimed at a massive expansion of high-quality accommodation with little (if any) regard for environmental and socio-cultural issues, and even less understanding of the principles of diversification.

In general, the meanings of *tourism development* and *sustainable tourism development* were socially constructed and varied over time and across (and even within) the different stakeholders' groups. The data analysis showed that public sector policies for sustainable tourism development focused primarily on product diversification (alternative tourism) and the triple bottom line. The views of the business and NGO sector stakeholders, on the other hand, evolved from the narrow environmental aspect to the emphasis of the late 2000s on integrated planning, differentiation and diversification policies. Data analysis showed that the public sector commitment to sustainability and sustainable tourism development was rarely supported by corresponding enforcement measures and, where there were positive public and business practices, these followed a common sense approach rather than a conscious endeavour to implement the principles of sustainability in the policy-making. The principles of sustainability were not well articulated and understood by all stakeholders. This was consistent with the results of a survey among the Bulgarian population in 2006 which found that only 6% of the Bulgarian population was aware of the Millennium Development Goals (UNDP, Millennium Development Goals 2006, p.11).

At a very practical level, this confusion over the definitions of development and development needs resulted in mixed development priorities, and tensions between the public and private sector. This situation is not unique to Bulgaria or for the transition context. Burns (2004, p.27) drew attention to the tensions between actors involved in development arising from mismatched definitions of development and development needs and argued that the contradictions need to be fully understood in the context of sustainable development.

The research found that the policies of the 1990s aimed at upgrading the resorts complexes through privatisation. However, these did not provide the necessary planning and regulation framework for the investors. As a result, the good intentions were not realised. The privatisation of the tourist assets was done with little consideration given to implementing the principles of sustainability in the privatisation programme in order to ensure the viability and integrity of the resort complexes. In the 2000s, the public policies for sustainable tourism development placed the emphasis on the development of alternative types of tourism. However, there was a general consensus among the informants that all development was related to different forms of mass tourism in search of a quick return on investment by the non-local investors. In reality, Bulgaria re-established its identity as a 'sun and sea' destination. Similar conclusions were put forward by Bachvarov (1997, 1999, 2006), Cooper (2007) and Cizmar and Lisjak (2007).

General and tourism-specific policies which aimed at achieving sustainability through diversifying the tourist product and environmental upgrading were not supported by an effective enforcement framework or consistent financing. In addition, tourism development was associated primarily with the established purpose-built seaside resorts. Public authorities at all levels undermined the development of the coastal villa zones between the urban settlements and the resorts, not regarding it as part of the tourist development. Public policies did not receive the support of the stakeholders and could not provide a working framework for the desired diversification away from the mass tourism development on the North Black Sea coast. The findings from the primary and secondary data analysis showed that in the context of lenient enforcement and control frameworks, many tourist businesses pursued policies for upgrading and expanding their facilities, resulting in the urbanisation of Golden Sands resort and a ribbon-type development of the villa-zones along the coast (*General Development Plan of Varna 2008*, Rakadjijka 2007 among others).

In the context of the whole studied destination, the practices adopted in the Balchik municipality demonstrated that the issues of sustainability have been much better accepted and implemented in smaller municipalities, which are largely dependent on tourism for the livelihood of their population, than in larger municipalities with a more diverse economic structure, such as Varna.

Public commitment to sustainability in tourism development has been made by other transition countries and the outcomes of such commitments have been found discouraging. Jordan's (2000) study looked at Croatia's advancing on the path towards sustainable development under the new market conditions. He concluded that the realism of proposals for "improved sustainability" (ibid., p. 535) was contested and sustainable tourism in Croatia remained a far-off goal (ibid., p. 538). The study of Alipour and Dizdarevic (2007) on sustainable tourism development in Bosnia and Herzegovina also revealed that sustainability was not embedded within an integrated framework despite public commitments to sustainability.

The findings of this research showed that the policy approaches to sustainable tourism development on Bulgaria's Black Sea coast were similar to the policies promoted in Mediterranean countries (Bianchi 2004; Farsari, Butler and Prastacos 2007; Bramwell 2004). In a similar way, the progress towards a more sustainable development followed the interpretation of sustainability as being about process and not a particular vision or criterion (Russo and Segre 2009).

6.3.2.2 Tourism development: a path-dependent path-creative perspective

6.3.2.2.1. The Legacy of the socialist period

This research found that the legacy of the pre-1989 period had a crucial influence on the subsequent tourism development on the north Black Sea coast. The legacy included the model of integrated tourist resorts; the large number of tourist assets available for privatisation; and most notably, the centralised planning and management system. The tourism transformations in the 1990s were seen by the respondents as greatly dependent on the pre-transition legacy and as shaped by the ongoing transformations in the whole society.

The data indicates that the pre-transition legacy of centralised decision-making persisted and co-existed in many administrative and business practices during the period studied. The research

demonstrated that the centralised planning system which was unchallenged before 1989 had far-reaching consequences for tourism in that it pre-determined the dependence on the low-budget mass tourism in the long-term and made it difficult to adapt the inherited ‘integrated resort development’ model to the new, free-market expectations.

There was a general consent among study participants that prior to 1989, tourism development was done in a planned and controlled way, taking into account the carrying capacity of the selected territories. In support of these findings past research (see also Evrev 1999) also acknowledged that “...the decision to develop tourism [on the Black Sea littoral of Bulgaria] was a conscious, carefully calculated one (the market was analysed, the capacity of the beaches assessed) preceding virtually any tourist activity” (Pearce 1989, p.60). The approach of “spatial *stability* not *divergence*” was applied to all regional development planning to maximise the balance of all aspects of development. (Begg and Pickles 1998, p.121)

Between 1989 and 2001 (Period 1), the legacy of spatial concentration of accommodation facilities in the Black Sea Coast resorts attracted the privatisation and investment interests in these already developed areas. Subsequently, those resorts that were no longer ‘integrated’ (under unified ownership and management) after the privatisation followed the path to rapid urbanisation.

The socialist model of ‘integrated’ resorts had far reaching consequences with regard to their integration in (rather than alienation from) the local community from the surrounding settlements. Designed to have a minimal impact on the locals (see Pearce 1989, Bachvarov 1997), the tourist resorts traditionally depended on the decisions of the central government institutions until their privatisation. Thus, when the local authorities were finally involved in decision-making in regard to further development after 1999, the local communities had no sentiments and/or vision about preserving the resort places and regarded their development as a profit centre. It was the villa zones outside the resorts and the urban places that, in the local authorities’ policies and practices, were meant to address the social priorities and give the locals the opportunity to complement their incomes by providing tourist services. As seen from the research, these social priorities were not matched by adequate planning and provision of public utilities infrastructure neither before 1989 nor after that (see sections 4.5.2 *Environmental impacts*, 5.3.4 *Land swaps* and 5.8.2 *Politics of local empowerment*).

6.3.2.2.2. Period 1 (1989-2001): Restructuring and privatisation (the core of transition)

The transition had a crucial impact on tourism development in the destination studied as it had on all spheres of life and in other transition economies. According to Liargovas and Chionis (2002, p. 256) all the countries that were undergoing transformation from a centrally planned economy into a market-orientated system experienced similar problems:

The post-communist countries still face enormously demanding challenges that encompass the rapid collapse of traditional markets, legal and institutional uncertainties regarding ownership and governance, rampant inflation, cash flow blockages (e.g., the non-payment for goods delivered to customers and the widespread unavailability of bank and trade credit), the appearance of technologically and economically superior global competitors from outside the region, lack of skills and of experience for operating in a market economy and workers and managers who are frightened, suspicious, or even hostile with respect to the monumental change required. This is also true for the Balkan region (Albania, Bulgaria, Romania, FYR Macedonia, Bosnia-Herzegovina, Croatia and FR Yugoslavia), which represents a region with a common set of problems and other characteristics. The magnitude of ethnic, political and economic problems that these countries are facing today within both the domestic and the international context, are enormous.

This research found that three major factors played a crucial role in determining the developmental trajectory of tourism between 1989 and 2001: restructuring and privatisation of tourist assets, the inadequate legislation framework and the political changes, which were only too frequent between 1989 and 1997. In addition, post-1989 developments in Bulgaria's primary tourist markets and the severe economic crisis of 1996-1997 magnified further the negative impacts of the transition on tourism at the local level.

These findings are consistent with previous research on tourism development in the 1990s (Koulov 1996; Bachvarov 1997, 1999, 2006; Hall 2000, Aslund 2002). A Tourism Reconstruction Board supported by the EU's PHARE programme and the UK Know-How Fund was established in 1993 to attract foreign investment for privatisation. However, as Hall (1995) warned, legislative and regulatory frameworks appropriate for the restructured tourism industry were slow in coming about,

particularly for potential foreign investors. As this research found the first specific legislation was passed only in 1998. Furthermore only an insignificant part of the tourism assets in the destination studied was acquired by foreign investors (see Rakadjijaska 2007).

The research data analysis showed that the environmental and social considerations were high on the agenda of decision-makers in terms of legislative acts passed and projects carried out (see Appendices 10 & 11). Nevertheless, primary data suggested that economic stabilisation and integration were at the forefront of national policy priorities especially after the serious macroeconomic crisis in the mid-1990s. Stimulating economic growth was crucial in view of Bulgaria's future accession to the EU and the prospect of engaging in international trade (*The Municipal Mosaic*, NHDP Report 2000). Privatisation was acknowledged as the only way to secure the economic growth and repay international debt and tourism was the first sector that underwent a fast privatisation between 1997 and 2001. The resorts in the destination studied were the first to finalise the privatisation procedures - Albena resort in 1997 and Golden Sands in 2001. The privatisation of St. Constantine resort was completed only in 2003. The privatisation was followed by the gradual upgrading of the facilities which varied between refurbishment, expansion and complete re-development.

Other studies (see Pickle and Smith 1998, Mitra and Selowsky 2002) were consistent with the findings of this inquiry for the context of Bulgaria. Similar processes were going on in other transition countries with key issues being: political uncertainties, unfavourable investment climate, inadequate legal framework and weak institutional capacity (Jordan 2000).

As evident from the findings chapters the first period of transition (Period 1: 1989-2001) emerged as the 'core' period of the transition which laid the foundations for the tourism development in the second period (2002-2009).

6.3.2.2.3. Period 2 (2002-2009) After the privatisation

This research revealed that in the post-privatisation period the policies and practices of the different stakeholder groups gradually took different routes determined by the type of privatisation model applied in the preceding period. There was a broad consensus between the study participants that the accommodation facilities in and around the resort complexes were upgraded to cater for high-

spending clientele. This was done in response to the requirements imposed by the state in the privatisation agreements and for economic reasons. At the same time, the tourism policies of the public sector at all levels acknowledged the need to break the spatial concentration of mass tourism in the resorts (and on the Black Sea coast) and prioritise the development of alternative types of tourism in the hinterland. Sustainability became an invariable principle of all national and regional public policies, meaning integrated planning and coordination of policies, involvement of all stakeholders in the development, ultimate balance between the economic, environmental and social aspects of development, development of alternative types of tourism, quality upgrading and environmental enhancing. By implementing these principles in the practice, public and some business policies (National Plan for Economic Development 2000-2006; Programme for Sustainable Tourism Development in Varna Municipality, 2007-2013; Balchik Municipality Development Plan, 2005- 2013, BS1 and BS2 in-depth interviews) claimed to address the equity among the present population and to provide for the need of the future generations. At the local level, the regional and local authorities gave a green light to the upgrading and expanding of hotel accommodation in the existing resorts, and the building of new golf resorts and holiday villages in undeveloped areas along the coast. In addition, LAs focused on projects to address the environmental problems arising from the inadequate sewerage and water supply facilities, insufficient capacities of the existing water treatment plans. Between 2005 and 2009, the state made advances in improving the relevant legislative and policy framework by regulating the development of the Black Sea coast by passing a *National Strategy for Sustainable Tourism Development 2008-2013*.

The findings of this research suggested that the period after 2002 (Period 2) was marked by political stability, which in its turn assisted the stabilisation of the whole socio-economic system and facilitated the rapid tourism development between 2001 and 2007 on the Black Sea coast. The 2000s witnessed the complete upgrading and expansion of accommodation facilities first in the resort complexes and, after 2004, the spread of tourism development along most of the coast, contrary to public policies claims. Deficiencies of the regulative framework were still seen by the study participants as a major hindrance to enforcing control on development and operation. The data analysis also showed that the lack of vision for tourism development at the national level, the inadequate regulation, planning and control all allowed overdevelopment in some parts of the north

Black Sea coast. According to the study participants, it was the single private ownership of two of the largest resort complexes in the destination studied that ‘saved’ them from urbanisation and overdevelopment.

Four different types of policies and practices emerged from the research data, albeit with slight variations in the meaning attached: policies for product diversification, product quality, environmental upgrading and portfolio diversification (see section 4.4.3.5). The prevailing views were that the government policies for product diversification through developing alternative types of tourism and for environmental upgrading had very modest, if any, results. Although some legal provisions were created to help improve the quality of the product, both at the urban planning level and in terms of the structure of accommodation, these appeared reactive and ineffective. At the same time, the product diversification policies of the business participants led to the significant upgrading of the accommodation facilities and building new upmarket golf resorts, aparthotels and marinas. The initiatives of the industry have reoriented the destination towards better quality and more varied holiday products as a way of counteracting the trend towards stagnation.

With regard to the environmental upgrading approaches, the government involvement was seen as unsuccessful, in contrast to that of the private sector. Environmental problems that remained unsolved for years resulted in an uneven development of the water infrastructure (sewerage system in particular) and established a notable divide between the areas managed by the public sector and those managed by the business sector.

The restructuring and development of tourism on the North Black Sea coast represented a typical example of ‘boosterism’, whereby development was defined in strictly business terms (Hall 2000). Similarly to other South European destinations, public intervention, in its regulative and promotional role, gave priority to development strategies for economic purposes over those with an environmental and social purpose (see Baidal 2004 on Spain).

6.3.2.3. Impacts of tourism development

The study found that decisions with regard to tourism development over the period studied (1989-2009) were not informed by a disciplined impact analysis. Until the end of Period 1 in 2001 tourism development was not seen as leading to any negative impacts. In the pre-1989 period, tourism

development was related almost exclusively with the integrated resorts, which being “[f]unctional and very localized [...] have scarcely had any effect on the previous organisation of the region.” (Pearce 1989, p.60). During the first period of transition, the privatisation processes delayed re-development in most tourist places. At the same time the general environmental legislation and the requirements of the Environmental Impact Assessment (EIA) were in put in place in the early 1990s aiming at the industrial regions of the country. However, due to a lack of funding and partly due to a biased enforcement mechanism, these were not adhered to in practice. Decisions with regard to tourism development during the whole period of transition were made in the light of the widely popular social constructs inherited from the social period such as: “tourism brings economic benefits”(see 4.5.2), “there are no negative socio-cultural impacts” (see 4.5.4). The perceptions of the environmental impacts from tourism development at the end of the period studied (2009) were reduced to ‘the urbanisation’ and ‘running out of space’ for new development (see 4.5.3). It could be concluded that such an approach to decision-making in reality generated problems instead of preventing them.

The data analysis suggested that decisions with regard to tourism development were determined by the economic difficulties brought by transition, and weighing all impacts was done formally. Section 4.5.4 revealed that the social and cultural impacts directly related to tourism development were not acknowledged and were taken into consideration mechanically, rather than given serious consideration. Past research on the country in general supported these findings (see Vodenska 2006, Bachvarov 1997, 1999, 2006, Ghodsee 2005, Koulov 1996). In the wider context of CEE transition, Hall (2000) found that there tended to be less concern in the region regarding tourism’s impacts on the environment than about the reality of environmental degradation constraining tourism development.

It could be concluded that in pursuing the economic growth imperative the study participants have been less concerned with the environmental and social impacts of tourism development, both as process and as outcomes. The findings of this research appeared consistent with the results of a national survey among tourism development stakeholders in 2006 (PHARE project BG 2003/004-937.02.02 EUROPAID/120047/D/SV/BG), which inferred that tourism development stakeholders mainly considered the positive socio-economic impacts of tourism development and demonstrated

high expectations towards the benefits of tourism growth; at the same time, they underestimated to a great extent the negative social and environmental impacts of tourism development.

Paraphrasing Andriotis (2001), if developers and planners are not aware of the tourism impacts, they will not be able to take actions aimed at reducing tourism problems and reinforcing the positive outcomes.

6.3.3. Tourism development and the political, economic, and socio-cultural transformations

The few studies on coastal tourism in the CEE and EEC attributed most failures to the political complexity of the economies in transition (Alipour and Dizdarevic 2007) and the economic transformations (Bachvarov 1997, 1999, 2006; Jordan 2000). This section depicts the major themes which, according to the research participants, could best explain *why* development in the destination studied took such a path. It attempts to explain how the pre-1989 institutional legacy and the changing of the rules of the game between 1989 and 2009 determined the prevalence of some development paths over others. This is done by looking into the excessive political interference into business activities, the changing of property rights, the role of the state and the social networks, the human capital, the persisting and/or shifting mentalities, and, finally, the local community empowerment through local self-governance. These themes contribute to the understanding of what influenced the decision-making processes with regard to tourism development in the destination studied. These also explain why, despite the aid and pressure from the external institutions, the principles of sustainability were implemented only partially (if at all). The following conclusions were made on the basis of the data analysis:

- Long-term and holistic planning has been impossible for most of the period studied (1989-2009).
- It has been equally difficult to promote tourism development (or any development) that could achieve a balance between economic viability, social compatibility and environmental enhancement.

- It became evident that local community empowerment in times of fundamental societal transformations may not contribute to sustainability, especially when some mentalities are persisting while others are changing towards individualistic values and models of behaviour.
- The ‘new’ mentalities and the economic difficulties have been hampering the cooperation, thus undermining the principle of involvement of all stakeholders in the decision-making process.

Despite the growing body of research on tourism development in transition economies none of these studies focused on the destination studied; very few were related to the national context; most were comparative studies on transition in Central and Eastern Europe (Sotiropulos, Neamtu and Stoyanova 2003 among others). Similar issues of tourism development have been studied in other European coastal tourism destinations (Andriotis 2001, Bianchi 2004).

6.3.3.1 ‘Politicising’ the transformation and development of tourism

There was consent among the study participants that *politicising* has been a major hindrance to the economic development. In this research the adopted meaning of the term *politicising* is more concrete than its dictionary definition of ‘giving a political character’; it is manifested through the practices of *political influence*, *rent-seeking public administration*, *lack of adequate* (for a democracy) *political culture*, and providing a *political umbrella for illegal capital*. The section on *politicising* (5.2.) showed that this issue persisted through the whole period studied.

This research found that political influence was mainly associated with designing legislation and especially the rules of the privatisation processes in such a way as to allow political parties and their leaders to benefit personally. There was a firm belief that ‘the rules of the game’ were re-worked in order to ensure high dependence of the business on the decisions of politicians and the interpretations of the legislation imposed by the current governments. The implications were that tourism was not being developed and operated in, what the study participants defined as, ‘a free-market economy’, but in a transition economy dominated by political interests, predilections and practices of nepotism. The interview accounts suggested that the latter issues were not viewed by the interviewees as compatible with their expectations of a ‘free-market economy’. The lack of

political experience and governance culture in times of transition encouraged rent-seeking attitudes and magnified further all the deficiencies of the system. In the destination studied, the dependence on political interests was supplemented by the entry of out-of-sector entrepreneurs, mostly from the illegal capital circles, which largely forced the tourism professionals out of their trade and established ‘the rules of the jungle’ as some of the interviewees put it. This research, too, revealed the controversial role of the illegal capital – despite the overall criticism of the state corruption practices, the study participants acknowledged that economic development would not have happened if the state had not allowed illegal capital and ‘repatriated capital’ to be invested in the country, and tourism benefited most from the situation.

The findings of this research emphasised the centrality of politics in the development of extortion opportunities and confirmed other researchers’ (Sajo 2002) contention that in many transition societies (post-communist and post-authoritarian) the efforts to normalise corrupt practices in the transition state may develop into ‘state capture’, whereby the basic rules of the games are shaped through regulation in such a way as to be detrimental to the common good, favouring one’s own clients, while the next step is a regulation to enhance the opportunities not only for corruption, but for extortion too.

As noted in Chapter 5, this research has adopted the meaning of the term ‘rent-seeking’ to accommodate the findings from the primary data. Rent-seeking was initially introduced as a concept to describe actions of individuals and groups that manipulate the state seeking to obtain wealth transfers (see Tullock 1998). In other words, “trying to make more money without producing more for customers” (The Economist 2011). However, in recent years, scholars tentatively shifted their attention to the behaviour of the ‘rent-seeking’ state, and the ways in which it may maximise the resources it can extract.

There is a common agreement in the academic literature that transition itself contributed to the proliferation of corruption because of the detrimental impact it had on political life and the opportunities it created. In many transition societies the norms are unclear, multiple, contradictory, or contested, therefore the state can be captured by narrow vested interests which modify policies to their advantage and may block reforms that serve the public good (Mitra and Selowsky, 2002). Most previous research on transition acknowledged that the rise of crime, corruption, rent seeking

and other opportunistic behaviour were a related outcome of transition (Tomer 2002, Mitra and Selowsky, 2002, Tzvetkova 2008). According to Grødeland, Koshechkina and Miller (1998, p.652), since 1989 the corruption at the high levels of governmental structures in Bulgaria was turning into a moral and economic problem.

Some studies viewed '*political influence*' during the transition period as being rooted in the powerful legacy from the communist period of 'moral decay' and the 'Balkan culture of corruption' (see Ghodsee 2005). In contrast to such studies, this research found that manifestations of *politicising* were not unique for the destination studied nor to the wider national and CEE transition context. The study participants emphasised the unprecedented scale of the issue during the transition period (1989-2009). This suggested that whatever the legacy of corrupt practices, the range and scope of the phenomenon after 1989 were incomparable and unexpected. Such a finding supports Kotkin and Sajo (2002) in that transition encourages patterns of behaviour characterised by political corruption and rent-seeking through providing the opportunities for such practices, for instance the scale of privatisation. Furthermore, research on corruption in the processes of democratisation, with special reference to political corruption in Central and Eastern Europe (see Sajo 2002, Gambetta 2002, Philip 2002), showed that, in practice, democratisation could weaken the authority and legitimacy of political institutions and open the system to more extensive forms of corruption.

The theme of 'politicising' emerges in other studies on Bulgarian transition (Ghodsee 2005, Koulov 1996, Bachvarov, 1997, 1999).

... Successive governments were inefficient, corrupt, short-sighted, irresponsible, dominated by special interests and incapable of adopting policies demanded by the public good. [...] High levels of crime and corruption have been among the main elements of the first decade of post-communism, affecting even the most basic societal structures. (Giatzidis 2002, p.162)

According to a report of the Centre for the Study of Democracy in Sofia (CSD), which describes the evolution of crime groups in Bulgaria in the period 1989-2007, the links between organised crime, politicians and business groups were established in the chaos following 1989, when the strong state structures of the communist regime were dissolved to be replaced by an institutional vacuum where

"the breaking of law and economic crimes became a political and economic necessity" (Inter Press Service News Agency, 15 Apr 2008).

This situation is not unique for the transition context as seen in Bianchi's research on Spain (2004) and Wheeler (2005). Hopefully, this research has made a modest contribution in drawing the attention to this sensitive issue and filling the gap in the body of knowledge.

6.3.3.2 Property rights

According to *property rights theory*, the nature of property rights (how these are defined and enforced) has a fundamental impact on the performance of the economy for at least two reasons (Libecap 1989). First, property rights institutions structure incentives for economic behaviour within the society by assigning ownership to valuable resources and by designating who bears the economic rewards and costs of resource-use decisions. Second, by allocating decision-making authority, the prevailing property rights arrangement determines who the key actors are in the economic system (ibid.). From a *path-dependent perspective*, Mahoney (2004) points out that property rights are formed and enforced by political entities and because today's choices are constrained by yesterday's decisions, 'history matters'.

This research found that privatisation, as the single characteristic of tourism development in the 1990s, determined the developmental routes in the 2000s. Privatisation was suggested by the study participants and employed in the data analysis as the criterion for establishing the two periods of tourism development in post-1989 decades. This finding has been supported by the general and tourism-related studies of the transition economies, which viewed privatisation not only as the process of the redistribution of property rights, but as *the* major institutional change that redistributed the power and formed the social structure of the new societies (Eyal, Szelényi and Townsley 1998, William and Baláz 2000 Light and Dumbreaveanu 1999; Riley 2000 among others). In a more recent study, Russo and Segre (2009) argued that the property regulation regimes to a large extent determined the structure and development of tourism destinations.

This study found that the trajectory of tourism development was determined by the combination of the specific privatisation models with the specific principles applied in the whole process. It was further suggested by the majority of the interviewees that, while the forms of ownership transformation evolved over the years, the operationalising of the transformation, such as lack of

clear rules, one-to-one negotiations, political predilections and cronyism among others, have changed little over the years since 1989. The findings of this research enquiry are consistent with Toneva's (2009) study on privatisation in tourism in Bulgaria. However, while Toneva (ibid.) focused on the privatisation only, this study explored the role of other forms of ownership relevant to tourism.

In this research the privatisation of the tourist assets occupied a dominant place among the instruments used to change the ownership rights due to the sheer scale of the legacy of assets concentrated in the purpose-built resorts and available for privatisation after 1989 (Period 1:1989-2001). There was a general agreement among the interviewees that two of the privatisation models applied played a crucial part in tourism development on the north Black Sea coast. These were the privatisation of the resort company as a whole business and territorial unit, and the hotel-by-hotel privatisation model. The research showed that both models predetermined different patterns of development on their territories. Typically, the single owner followed a unified vision and policy for modernisation of the business and preserved the integrity of the resort territory. Where the resort was sold piece-by-piece, the numerous owners did not have a unified vision and policy for development; rather, they competed on building 'more and higher', which led to overdevelopment and urbanisation. The specific forms of transfer of ownership rights along with the restitution processes determined the development route by favouring one developer over another and/or delaying development of the infrastructure companies. It could be concluded that the 'recombinant' property in the tourism sector has dominated most of the post-1989 period and the asset ambiguity shifted the focus of the largest business stakeholders from investing in 'tourism development' to portfolio diversification (or else 'empire building') a survival strategy (see 4.4.3.5 *Policies for portfolio diversification*).

Studies on the transformation of property rights in the tourism sector in Bulgaria are sparse, incomplete and focus on the privatisation process (see Toneva 2009). On the other hand, the more general studies on tourism development in Bulgaria place an emphasis on the hotel-by-hotel privatisation model, stating that it was not well adapted to the specific features of Bulgarian resort complexes (Koulov 1996, Bachvarov 2006, Marinov 1996, 1999). Such an approach did not address the diversity of development experiences, ignoring the role of other property rights transformation,

such as the restitution, lease agreements and land swaps. In addition, disregarding the privatisation of the resorts as a whole unit seems to have created a one-sided representation of what happened.

The privatisation of the tourist sector in Bulgaria shared many common characteristics with the corresponding processes going on in other transition countries. Jordan (2000) and Light and Dumbreaveanu (1999) found that in Croatia and Romania respectively, privatisation was frustrated by political influence, lacked in competitiveness and transparency.

The findings of this enquiry supported previous studies that challenged the universality of the ‘positive theory of privatisation’ (see Pickles and Smith 1998). The latter has been a main building block of the transition strategies and stabilisation programmes of all CEE and EEC countries. The mainstream notions of the post-socialist transition was a replacement of one set of institutions by another set of institutions and in this process privatisation was considered the only way to break up economic monopolies, link economic efficiency with reward and ‘cement’ the market, liberal democratic practices and re-emergent civil-society (Pickles and Smith 1998). It was commonly believed that privatisation would create clear property rights and lead to the emergence of a dynamic, profit-seeking entrepreneurial class; the free market system was expected to discipline workers; furthermore, privatisation was expected to depoliticise the enterprises and reduce the opportunities for self-interested politicians [to] intervene in the conduct of the enterprises (Debande and Friebel 2004, Dunford 1998). While the participants in this study identified privatisation as one of the most significant factors in the determining the tourism development, as evident from the previous sub-section on *politicising*, what happened in the destination studied was the exact opposite of what was expected – neither business nor local authorities decision-making were depoliticised. The inherited integrated model of resort development preconditioned the large-scale privatisation in Period 1; the privatisation processes in their turn shaped the ownership and hence, the power structures of Period 2 in a particular way.

This research also found that while in the destination studied there was a clear shift to majority ownership in the hospitality sector in favour of private owners, a similar shift in the public infrastructure sector (especially water and sewerage companies) resulted in the prevalence of the state participation (5.3.4. *Mixed ownership*). Changes in company priorities every four years with every new government exacerbated the conflicts between the interest of the private hotel business

and that of the state. A similar situation was reported in connection to valuable assets, such as former mud-cure treatment and hospital complexes, which prior to 1989 served the purposes of social tourism and the state remained their principal owner. Similar experiences were reported in other transition countries (Riley 2000) The characteristics of the mixed ownership (as termed in this research) were observed elsewhere and described as lack of transparency and accountability, 'blurring of public and private, blurring of enterprise boundaries, and blurring of the boundedness of legitimating principles' (Stark 1996 on Hungary). Privatisation did not result, as expected, in dualistic and polarised property rights between the public and private sectors (Stark 1996), in reality property rights in CEE have been complex and intransparent (William and Baláz 2000).

There is no research within the English language literature on transition economies in regard to the property rights inherent in the post-privatisation periods and the emergence of large tourism related businesses, such as golf courses and resorts developers. In the destination studied the development of such projects required the negotiation of land swaps involving vast areas of land along the coast, changing the status of the land for the purpose of tourism development often to the disadvantage of local people. This process of the conversion of land from cultivation to urban tourism development is not new in the European context. It also occurred in Spain (Bianchi 2004) and Crete (Andriotis 2001) where large landowners were reported as the key players. In Bulgaria, and the Black Sea coast in particular, the largest owners of land appeared to be the coastal municipalities and to a lesser extent the state, which in pursuit of economic growth, justified the land swaps or consignment of land for the purpose of tourism development, with a combination of insignificant agricultural revenues and the short-term profits to be made from property speculation and tourism.

6.3.3.3. State involvement in tourism development

Where tourism succeeds or fails is largely a function of political and administrative action and not a function of economic or business expertise. Richter 1998, p.11

The document analysis (see also Appendices 10 and 11) suggested that Bulgarian tourism policy evolved over the 1990s and the 2000s to accommodate the transition to a market economy and the requirements of EU membership. However, the majority of the study participants identified as a major barrier to tourism development the 'withdrawal of the state from its functions' and it's not

providing a consistent policy for tourism development on the Black Sea coast. The designation of tourism as a priority sector in Bulgaria was well documented in the National Regional Development Strategy and in the regional and local development plans. Furthermore, the data revealed that the relevant structural, legislative and policy framework was gradually put in place. The study participants commonly agreed that the tourism policy was struggling to meet the demands that were being placed upon it by developments in the contemporary tourism sector. Among the areas identified by the respondents, where the state seemed to have failed most were the lack of consistency, continuity and wider policy integration, placing an emphasis on economic priorities over environmental considerations or the promotion of the tourism destinations, inadequate land use planning, along with weak enforcement framework and control on regulation.

This research showed that tourism development in the destination studied was influenced by an ambiguous privatisation policy in the 1990s and, after the privatisation in the 2000s, was the result of a market led demand and the response of an active private sector. State involvement was limited to licensing activities and the overall national promotion. The research findings revealed that the strategies typically lacked coordination and tried to accommodate all aspects of tourism and a range of strategic priorities without any particular links to financial resources. It has been common practice to elaborate a strategy, but not pass it through the main executive body. In this way, formally there was a strategic document in place, but its implementation was not mandatory. Other researchers too have concluded that tourism development nationally was constrained by poor administration and inadequate promotion (Koulov 1996, Bachvarov 1997, Hall 2000).

These findings were consistent with Hall's (2000) observation that where tourism has flourished in the CEE transition economies, "it may be *despite* rather than *because* of government action (own emphasis). With the post-communist reduction in the role of the state, most governments have shown an unwillingness or inability to invest in the tourism industry or to secure significant international funding for it." (Hall 2000, p.448). Thus the outcomes of a reduced role of the transition state in regulation and control, shown by this research, confirmed Burns' (2004, p.30) argument that "markets cannot replace governments and their responsibilities" in the need to develop and control tourism in a sustainable way.

In the academic literature, the reasons behind the inefficiencies of tourism (but not exclusively) policy-making in the Eastern European countries are commonly sought in the nature and scale of the transition processes over the last two decades (see Hall 2000, 2003; Jordan 2000, Alipour and Dizdarevic 2007, Fritz 2004). Such studies are consistent with the finding of this research over the ‘core’ period of transition (Period 1). However, this research concluded that while transition had exacerbated the problems of tourism development because of the rapid changes in the political and socio-economic context (Period 1), once the property was transferred into private hands (Period 2: after 2002), the outcomes of the development and the causes behind them were similar to those observed in other, non-transition contexts. Past research revealed that in developed countries too tourism planning was handicapped (McKercher 1999) with the causes for the planning deficiencies rooted “more in the political dimension of planning and in the failure to fit the plans within the current politico-administrative framework in order to make them really operative” (Baidal 2004, p.327). In his more recent work, Bianchi (2009) went even further and, referring to the global context, viewed processes which traditionally have been seen as idiosyncratic for the transition economies, as “renewed waves of capital accumulation stimulated by neo-liberal globalisation” and facilitated by state policies” (ibid. p 497). Examples of such state involvement include the privatisation of state assets and tourist facilities in Peru, the transfer of public land into private ownership along Valletta’s historic waterfront, the appropriation of land on behalf of developers for luxury tourism development; the subverting of protective legislation to facilitate privatised tourist development and residential urbanizations along the Spanish coastline and archipelagos (*ibid.*). As this research showed, the transition context had preconditioned the manifestation of all above-mentioned experiences drawn from different parts in the world on the relatively small territory of the destination studies.

6.3.3.4 Human capital

This sub-section deals with the people involved in the decision-making with regard to tourism development and how their perceived knowledge, skills and experience have influenced their actions. This study found that the socialist legacy of *administrative and expert capacity* was inadequate and could not ensure the smooth the transition to new, free market economy. As a result, most of the period studied (1989-2009) was marked by those deficiencies. Where there were successes in the development and operation of tourism, these were ascribed to the role of the

individuals. The lack of administrative and expert capacity, as well as the lack of leadership of the central government and LAs officials had a significant perceived negative impact on the policy making with regard to tourism development. At the same time, the majority of the study participants believed that the lack of knowledge of tourism and the lack of marketing skills of the new owners of tourism business (mostly developers/investors turned into hoteliers) determined their own decisions and subsequent actions. The role of the individual in tourism development emerged as significant especially in relation to large companies privatised as a whole unit and the authoritarian style of management not only being preserved but being transferred further through acquisitions.

The few studies on human capital in the context of Bulgarian tourism during transition are consistent with the findings of this research and linked further the lack of expertise and administrative capacity at all public levels to the lack of co-ordination. Cooper (2007) suggested that this lack of capacity determined the low policy implementation particularly at the local and regional levels. Although the capacity building has been the focus of a myriad of EU funded projects, these have not attracted the attention of many scholars in the CEE and EEC as is the case in other Southern Europe destinations. In Greece, for instance, Andriotis (2001) identified similar (to the Bulgarian context) deficiencies that made the actions of the public sector ineffective: lack of streamlined procedures, little use of new technologies and modern management techniques, and a large number of staff without the necessary skills.

The role of, what many respondents referred to as, ‘the subjective factor’/ ‘individual’/ ‘personality’ was seen as crucial in tourism development, both in terms of the modernization of the business and of the vision of how the property should be developed. It could be concluded that in times of transition, the role of the ‘individual’ takes a lead role in determining tourism development practices.

The role of the entrepreneurs in tourism in transition has been neglected in the academic literature with the exception of Ghodsee (2005), who argued that the Albena resort provided one of the most successful examples of tourism privatisations in Bulgaria. Ghodsee attributed the success of the privatisation to the management of the company and particularly to the CEO, but observed that since the privatisation, the company retained its “slightly anachronistic management structure”

under the centralised control of the same CEO, “who oversees all resort operations” (*ibid.* p.132-133).

The role of the individuals has been acknowledged in a different context. Analysing the history of tourism development on the Gold Coast, one of Australia's major seaside resorts, Russell and Faulkner (1999) suggested as a useful framework the associating of the specific phases in tourism development with the actions of individual entrepreneurs, who were each responsible for the major shifts in the structure of tourism activities.

6.3.3.5 Mentalities

... although there is massive social change, plus ça change, plus c'est la même chose. ('the more things change, the more they stay the same') (Eyal, Szelényi and Townsley, 1998, p.17)

This research found that the theme of mentalities played a significant role in determining the trajectory of tourism development. While the views of the study participants were honoured, it was also kept in mind that when study participants suggest the theme of mentalities as a possible framework for interpreting their behaviour, there is a possibility that the respondents may overemphasise the negative aspects.

The study participants seemed to suggest that a *transition mentality*, based on the 'old' ways and reshaped by 'the new' ways of thinking and behaving, influenced decision making with regard to tourism development in the period studied. Some mentalities were seen by the study respondents as formed during the decades before transition and being adapted to the changing environment: for instance, mistrust of organisations of civil society. Other mentalities were considered as evolving from the context of transition, such as the ownership culture and lack of compliance with legal norms.

The data suggested that in general, mentalities (inherited and newly emerged) had a rather negative overall perceived impact on tourism development in the destination studied. Over the period studied the impact of mentalities varied reflecting the most of the 1990s. The legacy of 'old' mentalities persisted in most of the Period 1 (1989-2001), while tourism development in Period 2 was influenced by both, 'old' and 'new' (emerging as a result of the transition) mentalities. The theme of mentalities emerged as significant in explaining why the established policy, legislative and

structural frameworks were not working efficiently and why certain routes were chosen for development. Nevertheless, within the context of tourism transformation in the CEE and EEC the issues of mentalities and their role in the transformation of tourism have been largely neglected (Hall 2008). As the literature review showed, research has focused on the external justification (the economic factors in particular) providing an explanation for people's behaviour that resides in the situation (the transition). At the same time, very little attention has been drawn to the internal justification which looks for the reasons that resides *in* the individual, the person who takes the concrete decisions for one action or another.

The issue of 'old' mentalities was partially supported by Koulov's (1996, p. 191-192) observation that at the beginning of the 1990s, the Bulgarian authorities sought to explain many of the difficulties accompanying the transformation processes with the 'mental inertia' - a passive stance stemming from the old totalitarian ways of thinking. The persistence of 'old' mentalities even in the 2000s (Period 2), as revealed by this research was suggested as an explanation for the serious deficiencies of the tourism policy-making in Bulgaria:

Whilst it may be that this overall lack of co-ordination is a historic legacy of communist rule, almost 20 years on from that regime, it is a concern that there appears to be such a strong level of mistrust and inability to communicate and share information. (Cooper 2007, p.50).

In the national context, political (Giatzidis 2002), gender (Ghodsee 2005) and development (NHDP 2006) researchers have also observed the lack of trust and cooperation.

The influence of the mentalities was briefly visited in other research on tourism in transition (see Hall, 2000 on the shift to individualism in Albania and William and Baláž, 2000 on the lack of trust, reliability and honesty in CEE countries). The manifestations of the path-dependence perspective in this research supported the views of a number of researchers (Creed 1999, Mason 1995, p. 402-406) that it will take a generation to turn things around in Eastern Europe.

The 'new' mentalities of the tourism entrepreneurs defined in this research share commonalities with Plog's (2001) first generation tourist entrepreneurs in the USA. Plog pointed out that for a number of years his ideas were not accepted by the business actors because "until recently most tour companies were run by first-generation entrepreneurs who grew their companies quite successfully

with that limited formula [of a limited product portfolio]. That's what they knew and that's what they offered, even in the face of declining numbers of clients every year." (2001, p.23.) The commonalities found between the 'new' mentalities (the ownership culture) in the Bulgaria and the USA is consistent with Eyal, Szelényi and Townsley's (1998) conclusion that post-communist capitalism will more closely resemble Japan or the United States than Western European capitalism (*ibid* ,p.192).

The role of the 'old' (inherited from the socialist system) mentalities was further supported by their centrality in Tomer's (2002) work and his conviction that "the soft features of Eastern European nations and their socialist systems" that were largely incompatible with those of Western-style capitalism (*ibid.*, p.434), to which the transition countries aspired, due to the strong bias toward collectivism and egalitarianism.

6.3.3.6 Social networks

Social theory views 'social networks' as a central feature of the broader concept of 'social capital' along with norms and social trust (see Putnam 1995). Coleman (1988) first introduced the concept of 'social capital' to describe and explain how rational actions were shaped by the particular social context. According to sociologists, 'social capital' is a valuable capital resource that exists in the relations among actors (individuals or corporate actors). It enables them to act together more effectively to pursue shared objectives, and thus, facilitates productive activity. This is made possible through the obligations, expectations, trustworthiness, information flows, norms and effective sanctions of the structure. According to Coleman (1988) the social structures that facilitate some forms of social capital are the social networks and closed social networks in particular. Closure of the social capital was considered important for the existence of effective norms and trustworthiness of social structures that allows the creation of obligations and expectations (Coleman 1988, p. 107). Addressing the totality of the concept of 'social capital' was beyond the scope of this research inquiry, however, the issue of social networks emerged as important in understanding the developmental path(s) of the destination studied.

Putnam's (1995) finding that social capital played a crucial role in the functioning of a democracy has contributed to the popularity of the concept in transition studies. Marsh (2000) even suggested that social capital may be the key to making Russian democracy work. Research on social capital in

26 transition economies concluded that trust in the transition context was generally low in comparison to the countries with mature market economies and that this might weaken the prospects for a long-term economic growth (Raiser, M. *et al.* 2001, Raiser, M. *et al.* 2004, Letki and Evans 2002). Researchers (Radaev 2004, Cook *et. al.* 2004 among others) related the low levels of trust with the establishment of networks - whether ‘business networks’ or ‘closed trust networks’ in general – to overcome uncertainty and risk, and to provide a more secure environment. Woodruff found that relationships established through such networks demonstrated high levels of trust even after they have been established for several years (2004, p.119).

In research on the transition economies, social networks have been seen as ways by which individuals were able to mobilise existing social, political and economic resources to find a pathway through the ‘maelstrom of transition’ (Pickless and Smith 1998). Czako and Sik (1995, in Begg and Pickless, 1998, p.134) argued that “the half-century of communism actually strengthened pre-communist network oriented cultures” because, command economies advantaged short-term profit seekers and stimulated social practices that drew heavily on strong social networks. The importance of the network ties lay in reducing the uncertainties of the post-socialist economic transformation in the absence of strong state - the new contractual arrangements often followed informal relations among actors with shared experiences in the recent past or through joint participation in the second economy (Grabner and Stark 1998, p.65). However, there is some consensus that the persistence of strong pre-transition social networks has been a weakness of civil society in different transition countries (see Howard 2002 on Germany and Russia).

In the interview data, the theme of social networks and their relation to tourism development emerged as significant in its role of channelling the transfer of public property into private hands. The latter act influenced the type of development through the understanding of tourism development of certain individuals and the financial means they had at their disposal to realise their policies. Two types of social networks emerged from the interview data. The first type was related to the legacy of ‘pre-transition trade networks’ which were mobilised in the first period of transition (1989-2002) to participate in the privatisation. The second type of ‘personal social networks’ emerged from the interview data analysis as related to the transition period (1989-2009) and being spread across the public, the business and (rarely) the third sector. The data analysis suggested that

the social networks have had a significant role in ‘making things happen’. While the ‘pre-transition networks’ had died out in the mid-1990s leaving insignificant marks on development, the ‘personal social networks’ of the first period of transition (1989-2001) had played a major part. The most successful ones were those that included a large business (or related businesses) and politicians from different parties – in this way the network could be sustained through the political uncertainties of transition.

These findings were consistent with evidence from previous research that the notion of *networks* was particularly strong in Bulgaria (Begg and Pickless 1998; Chalakov *et al.* 2008). Previous studies on CEE transition in general, focus on the old formal and informal networks (see William and Baláž, 2002 on Czechoslovakia; Stark, 1996 on Hungary). This research found that the ‘old’ networks did not have a significant influence on tourism development and placed the emphasis on the social networks that emerged during the transition period and have been dominating the whole period studied.

6.3.3.7 Local community empowerment

For the purpose of this research, the broad definition of sustainability adopted *local community empowerment* as a major characteristic of implementing the principles of sustainability in tourism development. The community involvement approach has long been the focus of efforts to create sustainability in tourism development. This reflects the increasing recognition given to the roles played by local communities in the planning and development processes (Roberts and Simpson 1999). Community participation has been a widely accepted facet of sustainable tourism in the transition CEE countries (Hall 2000, 2003). However, the findings of this study revealed that despite the efforts to empower the local communities through legislative and administrative measures, in practice, the only actors empowered were the heads of the local administrations and the political tiers they were representing.

This study found that in the context of transition, *local community empowerment* has been seen as a crucial element of the democratisation of the society and given priority in the legislative framework and in the practice immediately after the start of the transition processes. The research data suggested that in the destination studied local empowerment had a central role in determining the scale and scope of tourism development at the time of the most intensive spatial expansion of

tourism development in the studied destination – Period 2 (after 2002). However, it has not proved the best framework for decision-making. Although enforced by legislation at the start of transition, in the 1990s, local empowerment was rather formal and ineffective. The legacy of centralised governance had not prepared local decision-makers with the expertise and experience to work in a democratic environment. The extreme political uncertainties, economic crisis and deficiencies of the legislative framework in Period 1 of the transition (1989-2002) further challenged local participation. Nevertheless, the power of the local authorities to block urban planning the end Period 1 (after 1997) led to unprecedented construction in the beginning of Period 2, mostly for the purpose of tourism. The local authorities had an important role in tourism development on their territory as they had almost unrestricted power in decision-making in regard to physical development of tourist facilities and the spatial spread of tourist superstructure and infrastructure.

It must be noted that *local community empowerment* was almost exclusively interpreted by the study participants as related to the local authorities. This perhaps is understandable, because according to the data analysis, civil society in Bulgaria was not well developed. Despite the legislation enacted and the increasing number of NGOs, the study participants felt that these served private interests and typically lacked expertise and finance.

It can be concluded that empowering the locals to take the decision about tourism development was necessary in a democratic society and the right thing to do. However, the transition processes placed priority on the economic and political aspects over environmental considerations. As one of the interviewees put it, the local authorities “followed the investors to such an extent that they had destroyed their own territories” (PS6). This was further enabled by the legislation which only empowered the head of the local administration and the political tiers they were representing, instead of empowering the community, through introducing different levels of local decision-making and encouraging the establishment of tourist councils locally. This finding is consistent with Burns’ (2004) concern about enforcing local empowerment in an administrative way by means of the legislation framework.

Attention was drawn to one more aspect of local participation. There was evidence of the recurrence of the old centrally planned re-distributive practices, which appears as a major factor in fostering deficits in the municipal budgets (NHDP 2000 *The municipal mosaic*; PS7, PS9). The data analysis

revealed that such practices practically crippled local policies aiming to improve the environment and stimulate the pursuit of economic growth at any cost through real estate and tourism development. Such a finding is consistent with Hall's (2000) conclusion that many countries have decentralised powers and responsibilities, including those for environmental management, but often without providing adequate support in terms of financial provision. Similar examples of lack of autonomy in decision-making and lack of financial strength of the local authorities can be retrieved from non-transition contexts, such as Greece where planning was found to be centralised and not addressing the local specifics; local governments have been poorly funded, and, as a consequence, their ability to interfere in the tourism industry generally and the physical development of coastal resorts in particular, were restrained (Andriotis 2006). It was evident that there were serious advances made towards local empowerment as part of the democratisation process and as a necessary practice to develop tourism along sustainable ways. Nonetheless, involving the locals in decision-making in the destination studied, and most of all in implementing the policies into practice, faced similar challenges as in other transition and non-transition contexts.

6.4 Conclusion

This chapter introduced the revised conceptual framework for the study of development of tourism in transition. It revisited the case study strategy and design to explain why these have been selected as the most appropriate to study fundamental social phenomena. Then it went on to discuss the limitations and advantages of the chosen methods for data collection, as well as the changes made in the data collection strategy along the way. A section was dedicated to the relationship between the researcher and the research topic.

Next, the chapter placed the research findings within existing theory and previous research on the transformation of traditional coastal tourism destinations in the transition economies, with a particular focus on policies and practices aiming at sustainability. The discussion confirmed that the *path-dependent path-creation approach*, widely adopted in the political, economic and social studies on transition was an appropriate approach to studying tourism development in times of fundamental political and socio-economic changes and answering the *why* question in particular. While previous tourism studies (William and Baláz 2000, Saarinen and Task 2008) applied this

approach exclusively to the economic aspects of tourism in transition, this research expanded their work by looking at the political (*politicising*), psychological (*mentalities*), institutional dimensions (*property rights, social networks, local empowerment*), the role of the state (*reduced state intervention*) and the individual (*human capital*). This was done by periodising tourism development in transition based on criteria emerging from the research data.

This research revealed that many of the processes that determined tourism development on Bulgaria's North Black Sea coast from 1989 to 2009 were not only common to all transition economies, but were observed in other mature South European coastal destinations. The specific manifestations of the 'transition context' appeared to be in the interplay of a wide range of factors within a very short period of time and their intersecting with the institutional legacy of the recent past. This study concluded that instead of building on the late socialist legacy of integrated planning regulation and control an adjusting positive practices to the rules of the market economy, Bulgaria (as other CEE countries) went down the route of rejection of these planning practices, reduced state regulation and control, and granting freedom to developers to secure the economic growth that was so needed to ensure the welfare of the population. Clearly in such a situation, the tradeoffs were made at the expense of the environmental and social concerns. It also showed that the issues of sustainability have been taken seriously only when negative impacts from tourism development threaten the competitiveness of the large tourist businesses.

The research found that the transformation and further development of the destination studied was determined by the interplay between *continuity* (persisting legacies of the post-socialist period) and *change* (the forces of transition). The research data suggested that transition as a societal and political context of tourism development and its local manifestations influenced the tourism development trajectories through the interplay of several factors. As stated earlier, many of these factors were observed in other, non-transition contexts (see Bianchi 2004 and Baidal 2004 on Spain, and Andriotis 2001, 2006 on Greece). None of these factors on their own were unique for the specific destination or the 'transition' context. It is rather the way(s) in which these factors were interwoven in a path-dependent path-creative way and taking into account the 'hard' and the 'soft' elements of the socio-economic system (Tomer 2002) that could provide an explanation to *why things happened in the way they did*.

CHAPTER 7: EVALUATION AND CONCLUSION

7.1 Introduction

The transition economies of Central and Eastern Europe have been increasingly a focus of tourism development studies (Hall *et al.* 2006, Hall 2008, Saarinen and Task 2008). Since the 1990s, the central issues in research have been related to how tourism development was influenced by the transition from a system of central planning towards the free-market (Hall 1996, 1998, 2000, 2004, 2006, 2008; Jaakson 1996; Bachvarov 1997, 1999, 2006; Williams and Baláz 2006, 2002; Riley 2000). Relatively little attention has been paid to the tourism development of coastal destinations in the transition economies and particularly in the south-eastern corner. Similarly, the issues of sustainability have been typically related to the potential contribution of tourism to regional development and the challenges to alternative types of tourism stemming from the transition context (Bachvarov 1999; Hall 1998, 2000, 2003). In view of impending EU membership, most CEE countries had made advances towards sustainability (Hall, 1998). However, few studies have explored the incorporation of the principles of sustainability in the policies which provided the framework for the tourism transformation in the traditional coastal tourism countries (see Jordan, 2000 on Croatia, Hall 2003 on the Eastern Adriatic and Alipour and Dizdarevic, 2007 on Bosnia and Herzegovina).

On these premises, this research aimed to study the transformation of the tourism development ‘model’ of Bulgaria’s Black Sea coast over the last two decades (1989-2009), using as the focus a traditional mass tourism destination of Varna-Balchik on the north coast. The purpose of the research was to undertake an investigation of the role of the societal and political context of tourism development and its manifestations in the transformation process at the local (destination) level. Through the study of the policies and practices of the tourism stakeholders in the selected spatial and temporal context, it became possible to examine the extent to which the principles of sustainability were incorporated into the framework of policy-making and translated into concrete actions. The study looked into the general and tourism-related policies and the concrete outcomes of the tourism development, in other words, *what happened on the ground*. Then it sought to analyse

why this happened and *what* processes determined the specific path(s) of tourism development on Bulgaria's North Black Sea coast.

As discussed in the methodology chapter the question of the appropriate research approach to the study of the social phenomena raised considerations about the differences between research of stable and unstable (including transition) contexts. In addition, researchers of post-socialist transition processes have questioned the use of 'imported' theoretical work, particularly the economic theories of neo-liberalism, and the employment of 'Western' social theories to guide research interpretations (Burawoy 1999, Stark and Bruszt 1998, among others). As Stark and Bruszt (1998) pointed out, the post-socialist societies have been regarded as a laboratory to test existing social theories and to develop new approaches to the study of transition processes. The most popular analytical approach has been *path-dependence path-creation* drawing on New Institutional Economics theory. In the field of tourism it has been acknowledged that conventional approaches to tourism research were more adjusted to the analysis of relatively stable systems and left significant gaps in the understanding of the turbulent phases in tourism development and the fundamental dynamics of change (Russell and Faulkner 1999, Hall 2000).

On these grounds, this study of tourism development in transition was underpinned by the critical realism paradigm which views events and experiences in the world as being triggered by underlying mechanisms and structures (Bhaskar 1975, in Saunders 2007). For the purpose of this research, it was assumed that investigating the structures of social relations would contribute to studying the outcomes of tourism development, but also explaining why these occurred (how the structures shaped the events). Such a stance focuses on the subjective states of actors involved in processes, and the meanings given to social relations in order to understand existing policies and practices (Roberts and Simpson 1999) and the decision-making process behind these. Furthermore, critical realists view the social world as constantly changing and this is much more in line with the purpose of tourism development research which seeks to understand the reason for phenomena. Finally, critical realism acknowledges the importance of multi-level study in determining what is being studied. This is a consequence of the acknowledged existence of a greater variety of structures, procedures and processes and the capacity that these structures, procedures and processes have to interact with one another (Patton 2002).

This chapter will critically evaluate the research undertaken in attempt to demonstrate its rigour and the doctoral-worthiness. It begins with revisiting the research objectives to explain how these were achieved. Next it demonstrates how the *a priori* conceptual framework evolved and in what ways it changed in the research process to accommodate the research findings. Then it discusses the original contribution this research makes to the theory and methodology. Finally, it makes recommendations for further research.

7.2 Revisiting the aims and objectives of the research

This research aimed at filling the gap in the understanding of coastal tourism development in transition economies. It aimed to document, analyse and critically evaluate the influence of the socio-economic and political transition on the development of tourism through a critical analysis of a tourism destination on Bulgaria's Black Sea coast.

The case of Bulgaria's north Black Sea coast was prompted by the researcher's background and the extensive literature review as a typical coastal destination that would allow the study of the whole spectrum of developmental processes in the period of transition.

The extensive literature review led to the formulation of the following research questions:

Whether, and in what ways, the nature of the socio-economic and political transition processes has determined the tourism development on Bulgaria's Black Sea coast?

and

Whether, and if, the tourism stakeholders have incorporated and implemented the principles of sustainability in the transformation and operation of the tourism sector, with the associated questions of why, why not, and how?

In order to answer the research questions five objectives were formulated and addressed in the way described in the sub-sections below.

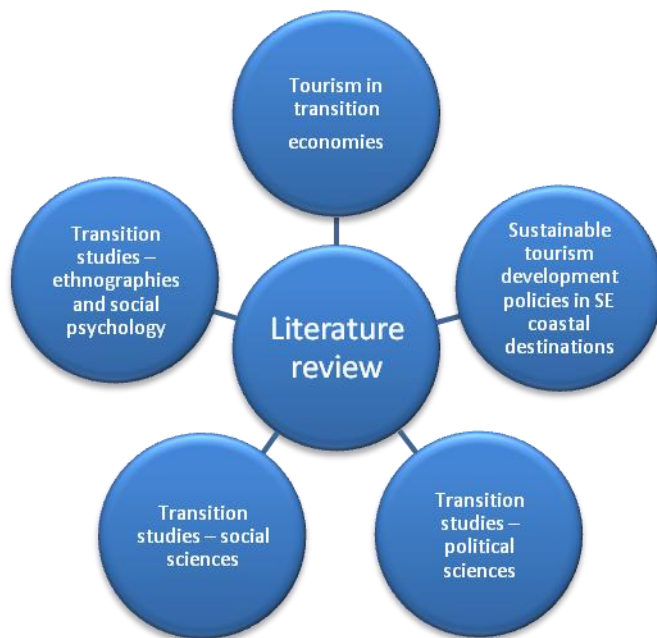
7.2.1 Research objective one

To develop an initial conceptual framework for studying the processes occurring within a transition economy and their relationship to the development of tourism in a coastal mass tourism destination.

In order to develop an a priori conceptual framework, an extensive literature review was undertaken to explore what was known about ‘what happened in the coastal destinations of the CEE states and particularly on Bulgaria’s Black Sea coast during the socio-economic and political transition and

why it happened’. The review commenced by searching for past research on coastal areas, first focusing on the CEE states and later, on the European and world-wide experience. Simultaneously, it broadened its scope by investigating the inter-related subject areas of development and impacts on the one hand, and the area transition, on the other, aiming at deeper understanding of the major theories and concepts, that would guide the proposed research (Figure 25).

Figure 25. Literature review scope



time suggested several descriptive and analytical models, which were considered and subsequently dismissed for their limited capacity to capture the dynamism of the phenoma studied. Each one of the descriptive models (for instance Miossec and Thurot, in Davidson and Maitland 1997; Gormsen 1997; Butler’s TALC 2006) was concerned with a different perspective of development and provided issues for consideration in the present research. Another perspective on development was provided by the analytical models of diffusion, dependency and sustainability.

This research was committed to the issues of sustainability from its very outset; therefore the employment of the sustainability paradigm as a broad framework was seen as the appropriate approach. Within the academic community the prevailing view was that sustainable development is a value-led, 'socially constructed' and contested concept that reflects the interests and the differing beliefs about the world of those involved (Bramwell 2004, Saarinen 2006, Hall 2008). This perspective called for research into the politics of tourism in order to identify the policy approaches and planning techniques, the types of products and resulting development and to determine whether or not these encourage sustainable outcomes. It also required that all development was considered against a set of criteria typical of the sustainable approach as established in the academic literature and in the EU documents. This research adopted a broad interpretation of sustainability which included: holistic approach to planning, taking into consideration all the inter-related levels affecting development - economic, environmental, social, cultural, political; the balance between the political and scientific-technical components of planning, with a fundamental reinforcement of social participation; the need for adaptation to the political and socioeconomic context, the territorial scale and the type of geographical environment (Baidal 2004, p. 319, TSG 2007).

While the employment of the analytic paradigm stemmed logically from the research question, another critical issue emerged from the contextual nature of the present research. The literature review suggested that defining *transition* was a problem in itself. The academic literature on political economy introduced different dimensions of 'un-stable' contexts, such as economic transition; political and economic transition; transition within the capitalist societal model; and last, but not least, the *political, social and economic transition* observable the Central and Eastern European countries (Hall 2004). However, in the last two decades the term *transition* has been almost exclusively associated with the "prescriptive, [and] ideologically informed Euro-Atlantic conception of 'transition' as a process of restructuring formerly communist political economies with the end goal of establishing economic, political and administrative norms which conform to the requirements for successful EU accession" (ibid 2004, p.221). There was a general agreement among scholars that the economic transition of CEE countries was not possible without simultaneous transition in the political, social and cultural spheres, therefore to understand more fully the progress of transition it was necessary to consider the wider societal transition taking place

in the post-socialist world (Drucker 1995; Bradshaw and Stenning 2000; Eser 2000; Galenson 2004; Hall 2000, 2004).

Social studies on transition (Hörschelmann and Stenning 2008) and on tourism in transition (Jaakson 1996, Williams and Baláž 2002, Saarinen and Task 2008) dismissed the ‘development stage’ (the descriptive models) models on the premises that they predict uni-linear changes from less developed to developed through distinctive stages. There was a general agreement among researchers that such conventional approaches to tourism research were not attuned to the analysis of turbulent phases in tourism development and the underlying dynamics of change (Hall 1995; Russell and Faulkner 1999). What is more, CEE transition countries entered the transition period with a developed tourist industry (see Jaakson 1996 on Estonia, Bachvarov 1997, 1999) which was subsequently transformed under the influence of the various transition forces. As Hall (2000) pointed out, the perceived instability, whether political, economic or geological, puts off both tourists and investors in tourism resources and the destination development does not follow the stages of economic growth models.

The approach most often employed in previous academic research to analyse transition processes is that of *path dependence*, *path creation* (Williams and Baláž 2002, 2005; Hall 2000; Saarinen and Task 2008). This approach (or else termed analytical framework) views the political and economic transformation as an ‘evolutionary and path-dependent process’, ‘based upon institutionalised forms of learning and struggles over pathways that emerge out of the intersection of old and new’ (Pickles and Smith 1998, p. 15). Such an approach was considered appropriate for the present research and determined the adoption of a *past-present* perspective, which in its turn determined the longitudinal character of the study.

The initial conceptual framework was elaborated based on theory and previous research on tourism transformations in the CEE transition economies (see Figure 7 in Chapter 3). Building on the *path-dependent path-creative* approach, the conceptual framework sought to provide the main themes to be explored in the document analysis and the semi-structured in depth interviews with decision-makers. The themes identified included the factors of socio-economic and political transition (the social forces of change), the institutional legacies (continuity), the agents of tourism development, and the interaction between them. In order to address the second research question, the policies and

actions, both path-dependent and path-creating, were placed in the broad frame of sustainability with its focus on the triple bottom line approach, long-term planning, cooperation between actors, local empowerment, policy integration, constant monitoring of impacts, strong political leadership.

As evident from sub-section 6.2.1, this, initial, conceptual framework was revised to accommodate the themes and concepts that emerged from the primary research data.

7.2.2 Research objective two

To provide an overview of the development of Bulgaria's coastal tourism to demonstrate the specific characteristics of the development during the transition period (1989 – 2009)

An *a priori* proposition was developed to address the issue of the internal validity of the research. It was assumed that during the transition period (1989-2009) Bulgaria's North Black sea coast was developed in a non-sustainable way for the following reasons:

- Overdevelopment and urbanisation of the coast;
- Lack of continuity in policy-making;
- Lack of integrated planning and regulation, control framework;
- Giving priority to economic growth over social and environmental considerations;
- Not taking into account the interests of the local communities.

Through corroboration of the data from documentary sources (experts' analyses in planning documentation, EU-funded projects, accessible Environmental Impact Assessment reports for new developments, master plans, land-use plans among others) and the semi-structured interviews with decision-makers involved in the policy-making and operation of tourism on Bulgaria's north Black Sea coast, the following conclusions were formulated:

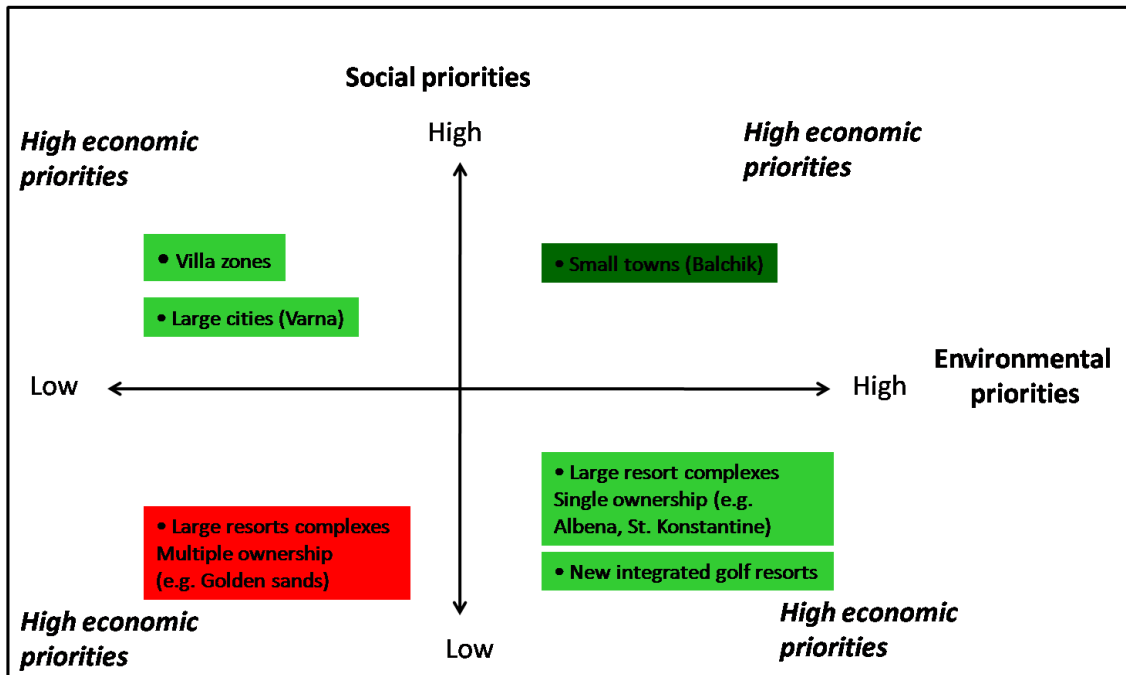
- Tourism development on Bulgaria's North Black Sea coast during the transition period (1989-2009) provided examples of both good practices and negative practices.
- At an overall (holistic) level, tourism developed in a non-sustainable way. In spite of the increasing empowerment of the local communities, attempts for integrated and long-term planning and maintaining the balance between the different aspects of development, the

primary data provided a different picture of reality. There was evidence of: perceived over-development and urbanisation in some places on the coastal strip; little continuity in policy-making; lack of integrated planning and regulation control framework and; giving priority to economic growth over social and environmental considerations. As the model below suggested, only one of the tourism developments studied was relatively successful at balancing the economic, social and environmental aspects of development at the end of the studied period.

- At a specific (embedded) level, the ‘development model’ of the destination studied comprised three distinguishable trajectories of development each one reflecting a different type of spatial and time-span: (a) the transformation of the former integrated seaside resort (1989-2009), (b) development of ‘new-generation’ integrated golf resorts, (2002 onwards) and the transformation of the villa zones (1989-2009). It was found that the different coastal developments (cities, small towns, villa zones and purpose-built resorts) followed varied trajectories and occupied a different place on the ‘sustainability scale’ at the end of the period studied. It was the transformation of the pre-transition integrated resorts that provided the specific characteristics of the destination in terms of diversity of spatial expansion practices and shifts of power relations. Thus the *path-dependence and path-creation approach* proved appropriate in understanding the three trajectories, which converged in the mid 2000s.

The diagram below (see Figure 26) presents a snapshot of the overall sustainability of Bulgaria’s North Black Sea coast (the tourist destination studied) in term of the balance achieved of economic, social and environmental priorities in policies and practices. It must be noted that the model demonstrates the situation at the end of the studied period (2009).

Figure 26. Overall sustainability of Bulgaria's North Black Sea coast – a snapshot



As all developments prioritise economic growth, in the diagram (Figure 26) these are mapped against two axes – social priorities in policies and practices and environmental priorities in policies and practices. The model shows that in the destination studied, small coastal towns were most successful in addressing the triple bottom line. Large cities and villa zones while high on economic and social priorities failed to address environmental issues and, in fact, exacerbated old conflicts over the use of natural resources. At the other end, traditional purpose-built seaside resorts and new integrated golf resorts which had a majority ownership, were high on environmental issues and moderate on the economic growth issues, however, in practice they scored relatively low on the social priorities in spite of the aspirations of their owners. The reason for such a situation is embedded in the model of integrated resorts and not so much in the policies of the owner company. Lastly, very high on the economic growth and low on both environmental and social aspects came the (only) large purpose-built resort complex which had a multiple-ownership structure.

7.2.3 Research objective three

To investigate, analyse and evaluate relevant governmental, non-governmental and commercial organizations' policies, actions and underlying attitudes in the period of transition in relation to the development and operation of the coastal tourism destination of Varna-Balchik on Bulgaria's Northern Black Sea coast and the businesses within it.

In order to achieve this objective a large data base of secondary data was compiled and analysed. Major significance, however was assigned to the data collected through semi-structured in-depth interviews conducted with stakeholders involved in the decision-making processes at some time during the period studied (1989-2009). The research focused on their subjective accounts and interpretations of *what had happened* and *why it happened*. In other words, the research chose to begin with a loose framework, which was kept open for emerging themes and issues, combining the divergent ways in which transition was lived, experienced and interpreted by the locally embedded social actors.

The data analysis led to results, which could be compared with the a priori propositions.

- **Initial proposition one:** *The nature of transition processes determines the type of tourism development (the transformation of the existing tourism 'capital' and the 'creation' of new tourism pathways) and its operation.*

The research data confirmed that the nature of the transition processes plays a crucial role in determining the development trajectory of tourism. The unprecedented transformations taking place simultaneously in the political, economic and socio-cultural spheres of life in the absence of a strong state and political consensus, drove the destination studied into a prolonged decline stage of its life-cycle, despite its initial development in a planned and integrated way. Once a relative political stability was established and the transformation of property rights was completed, a rejuvenation stage followed that displayed similar characteristics and followed similar trajectories as those typical of coastal destinations in the developed countries. Thus, tourism development in a transition period demonstrated idiosyncratic features in the initial period, which may vary in length for the different countries and even regions within the same country, depending on the conditions at the start of transition (path-dependence). When the majority means of production and distribution

changed hands (through privatisation) within the framework shaped by the social forces and relations of power (path-creation), the development trajectories undertook the distinctive patterns of capitalist development present elsewhere.

- **Initial proposition two:** *The pathways of tourism development are determined by the existing legacy (institutions, development models, networks, etc.) and shaped by current social forces.*

The research confirmed that as much as the transformation of a coastal destination was influenced by the social forces (changes of the rules of the game, such as policy making, regulation, redistribution of power) of the transition context, the specific outcomes of tourism development were to a large extent determined by the state of the nation (availability of tourist assets, distribution of power, integrated planning and regulation, environmental concerns, expertise and administrative capacity) at the outset of transition. The pattern (s) of regional change in Bulgaria prior to 1989, characterised by spatial stability (Begg and Pickles 1998), gave a different starting point to the processes that followed.

7.2.4 Research objective four

To determine the degree to which the principles of sustainability were adopted and implemented in the policies and practices of the stakeholders involved in the development of Varna-Balchik as a tourism destination and the reasons for those actions or lack of action.

In order to achieve objective four, this research inquiry employed semi-structured in-depth interviews to study the awareness of the participants of the principles of sustainability, their perceptions of what constitutes sustainability and whether the principles have been incorporated into the policies and practices of the tourism stakeholders, as opposed to undertaking any direct or indirect measures of sustainable practice.

The actual findings from the analysis of documentary and interview data supported the *a priori* propositions as discussed below.

- The features of political and socio-economic transition are in contrast with the concept of sustainability and hinder the implementation of the principles of sustainable development. Tourism development (as with any other development) and sustainability are a reflection of (a) the country's/region's/destination's general state of development; (b) the imperatives/priorities of the ruling social group/class, and (c) the perception of sustainable development which this group holds. The transition to sustainable development requires the presence of certain preconditions, such as sufficient secure property rights, democratic governance, sectoral coordination and policy integration, precaution and adaptation to local/regional conditions and limits, environmental and social stability, democratic governance, sectoral coordination and policy integration. These are at an infancy stage in the transition countries, although some countries lag behind others in certain aspects of general development. As Figure 24 revealed, since mid-1990s the principles of sustainability have been increasingly incorporated in the general and tourism-specific policies, addressing the establishing of property rights, integrated planning, involvement of all stakeholders and in particular transferring decision-making onto the local authorities, attempts to shift the focus to alternative tourism types, among others. In practice, the tourism boom resulted in accommodation supply exceeding tourist demand, upgrading of the tourist facilities and development of different types of mass tourism, such as spas, golf complexes and marinas.
- Sustainable forms of tourism development are more successful in the smaller towns and largely irrelevant in the large cities (Bachvarov 1999). However, contrary to the proposition that sustainable tourism is a major problem for the large, monocultural resort complexes, the research findings showed that this is true for resorts of multiple ownerships, while resorts owned by a single owner demonstrate a high degree of success in implementing the principles of sustainability (see Figure 26).

7.2.5 Research objective five

To refine, on the basis of the findings of the research, the initial conceptual framework in order to propose a robust theoretical framework relating the effects of political and socioeconomic transition on the development path of tourism and the adoption and implementation of the principles of sustainable development.

As discussed in Chapter 6 (6.2.1), the initial conceptual framework (see subsections 3.2.3 and 7.2.1) was revised to accommodate the themes and concepts that emerged from the primary research data. The revised framework allowed a more thorough and all-encompassing approach to the study of tourism development in transition taking into account not only the economic aspects, but also the political and socio-cultural aspects of the transformations.

7.3 Contribution

7.3.1 Contribution to Theory

7.3.1.1 Developing an analytical framework

This research took further the tradition that calls for the incorporation of the contextual change in the process of destination development (Saarinen and Task 2008, Williams and Baláž 2002, Riley 2000). It developed a framework to study (sustainable) tourism development in ‘unstable’ contexts characterised by rapid political, economic and/or socio-cultural changes. Unlike other previous work (*ibid.*), this research was based on a holistic and interdisciplinary approach. In other words, it took into account the political (*politicising*), psychological (*mentalities*), institutional dimensions of transition (*property rights, social networks, local empowerment*), the role of the state (*reduced state intervention*) and the individual (*human capital*). In addition, while other research has taken a long-term perspective, or rather retrospective (see Saarinen and Task 2008), this research was able to focus on the transition, by studying the influence of the post-socialist legacy on the transformation of tourism destination in the ‘core’ period (Period 1) and the impact of Period 1 on Period 2 (2002-2009).

The analytical framework emerged from the primary data and included themes which have been understudied in previous research. Hopefully, this research has made a modest contribution in drawing the attention to sensitive issues and filling the gap in the body of knowledge. These are explained in more detail below.

- ***'Politicising'***

The scale of 'politicising' and its influence on (sustainable) tourism development were largely overlooked in the studies of tourism in transition and remained within the domain of political science.

This study found that *politicising* (the widespread but rarely proven perception that individuals use their political position for personal gain) has been a major hindrance to the economic development in the destination studied through the practices of political influence, rent-seeking public administration, lack of adequate (for a democracy) political culture, and providing a political umbrella for illegal capital an issue that persisted through the whole period studied. The findings supported the general agreement in political science that *politicising* may not be solely a function of transition, but it is a related outcome. Transition itself contributes to the proliferation of corrupt practices because of the detrimental impact it had on political life and the opportunities it creates through the scale of privatisation.

Although the manifestations of *politicising* have not been exclusively bounded to the CEE transition context, there is still very little research (see for instance Bianchi 2004) on their impact on tourism development. As Wheeler (2005, p.267) pointed out,

The question of corruption and the degrees of intensity to which it is practised are conveniently ignored in the supposedly 'holistic', yet somewhat arbitrary, sustainable tourism vacuum. The assertion that 'the world has the worry that corruption is now spreading throughout politics. One can almost say that corruption has now become the global norm' (Rees-Mogg, 1999: 18) must be constantly borne in mind – but, of course, it is not.

By bringing the theme of *politicising* into the focus of the study, this research contributes to building the body of knowledge in the field.

- ***Property rights***

The literature review showed that the changing nature of property rights has been the most often studied theme in the tourism-in-transition research. This is not surprising considering the fundamental impact these have on on the performance of the economy through (a) allocating

decision-making authority and (b) providing incentives for economic behaviour within the society. Nevertheless, this research makes an original contribution in two ways. First, in focusing not only on the role of privatisation in tourism, but also in studying a variety of other forms, such as restitution, transitional forms (long leases, land swaps), mixed forms and public-private partnerships. Second, the study found that the pattern (model) of privatisation of the integrated resort complexes in the destination studied was closely related to their subsequent pattern of development. This is an original contribution to theory as none of the previous studies have drawn attention to other forms of property rights other than privatisation. While privatisation had a fundamental role to play in tourism development in the destination studied, the other forms too have had a major impact by delaying development or making new tourism development possible. In addition there are no contemporary studies on the development trajectories of the purpose-built integrated tourist complexes which have been, and continue to be the hallmark of tourism on the Black Sea coast.

- ***Reduced state intervention***

With respect to *state intervention* this study has a confirmatory rather than original contribution. The role of the state in planning and regulation of tourism development has been acknowledged for a long time in the academic literature although real-life practices have had a varied degree of success. The theme is equally acute in transition and non-transition contexts. Where development failed to meet the triple bottom line, it has been attributed to weak regulatory and enforcement framework and underfunding.

- ***Human capital***

This study makes an original contribution in drawing attention to the role of the *human capital* in the context of CEE tourism transition in its two forms: *administrative and expert capacity* and the *'individual'*, or else the personality of individual decision-makers. Although there is a proliferation of projects on administrative and expert capacity, none of the academic studies have focused on this sub-theme. The legacy of knowledge, skills and experience, inadequate for the free-market economy, lead to equally inadequate decisions in time of the transformation of large tourist assets, thus resulting in an evolutionary variety of outcomes marked too often by failure and rarely by success. Where there were successes in the development and operation of tourism in the destination

studied, these were ascribed to the role of the *individuals*. It was concluded that in times of transition, the role of the ‘individual’ takes a lead role in determining tourism development practices.

It should be noted the role of human capital has been acknowledged in a different, non-CEE transition context (see Andriotis 2001 on administrative and expert capacity in Greece and Russell and Faulkner 1999 on the role of the individuals on the Gold Coast, Australia). Therefore, by studying this theme, this research may have an original contribution in the context of transition, nevertheless it is confirmatory in a wider context.

- ***Mentalities***

It has been acknowledged that within the context of CEE tourism transformation the issues of mentalities and their role in the transformation of tourism have been largely neglected (Hall 2008). As the literature review showed research has focused on the external justification (the economic factors in particular) providing an explanation for people’s behaviour that resides in the situation (the transition). At the same time, very little attention has been drawn to the internal justification which looks for the reasons that resides *in* the individual who takes the concrete decisions for one action or another. Therefore, this research makes an original contribution in focusing on the interplay of ‘old’ and ‘new’ mentalities which along with the property rights shape the economic behaviour and hence, the type and scale of tourism development. This study demonstrated that mentalities were transformed over the period studied and triggered varied development paths.

- ***Social networks***

Similar to the rest of the themes studied in this research, the importance of the *social networks* has been understudied by tourism-in-transition research. The theme of social networks and their relation to tourism development emerged as significant in its role to channel the transfer of public property into private hands. The latter act influenced the type of development through the understanding of tourism development of certain individuals and the financial means they had at their disposal to realise their policies. Over the period studied networks evolved from ‘pre-transition trade networks’ to ‘personal social networks’ which spread over different stakeholder groups and political circles in order to sustain the network(s) through the political uncertainties of transition. This research

showed the social networks established power relations and determined the key actors in development.

- ***Local community empowerment***

In this research, local community empowerment has been a part of the process of democratisation and decentralisation of the decision-making process inherent to the CEE transition. At the same time, the broad definition of sustainability has adopted *local community empowerment* as a major characteristic of implementing the principles of sustainability in tourism development. In the academic literature, community involvement approach has long been in the focus of efforts to create sustainability in tourism development. This study added to the body of research which investigates in what ways local communities can contribute to sustainable tourism, and what sustainability can offer local communities within the context of CEE transition. It also clarified the meaning of term 'community empowerment' in the destination studied acknowledging that this is vital to understanding the successes and failures in implementing sustainable tourism development in practice.

7.3.1.2 Contribution to research on an understudied context

Finally, a major contribution is conducting research on a recent phenomenon (tourism development, socio-economic and political transition, sustainability) in an understudied context (coastal destinations, Bulgaria) and time-period (two decades). The research builds upon and expands the work of Bachvarov on tourism transformations in Bulgaria (1997, 1999, 2006) and Marinov (1996, 1998, 2000) on the challenges to the implementation of the principles of sustainability in a transition economy. None of these studies focused on the North coast destination. They have a holistic character and reflect the changing interpretation of sustainability over the last two decades in the context of Bulgaria.

This research found that the challenges to sustainability as defined by Marinov (ibid.) for the 'core' of transition (the 1990s) have remained the same for most of the 2000s too and the administrative (top-down) way of implementing sustainability has not led to the effective implementation into the practices of the different stakeholders. This research also built upon Bachvarov's concerns about the 'troubled sustainability' of the Bulgarian seaside resorts in view of the pending (at that moment) processes of restructuring, which (at that time) appeared in conflict with the inherited model of

tourism development. Nevertheless, Bachvarov provided a rather one-sided presentation of what was happening on the Black Sea coast by focusing almost exclusively on the large sea-side resorts with multi-ownership. The original contribution of this study is in studying the whole variety of forms to establish the property rights in the destination studied, including the different privatisation models, restitutions, transition forms and mixed forms of ownership. This allowed relating the method adopted to change the property rights with the subsequent patterns of tourism development of the different tourist places. The major emphasis remains on the purpose built resorts, however, this study revealed a variety of practices in different resorts which contradicted Bachvarov's (1999) conviction that sustainability was a major problem in the large resorts.

This research provides an in-depth study of the issues of 'politicising', mentalities, human capital, social networks and local community empowerment and their significant role in determining the pattern of tourism development in the different places within the destination studied. These issues have received little or no attention in previous research on Bulgaria and according to the literature review – in research on CEE transition.

7.3.2 Contribution to Methodology

Qualitative inquiry has been used in CEE transition studies (Bramwell and Meyer 2007, Riley 2000 among others). Therefore this research has simply tested it in the setting of the Black Sea coast. In doing so, it added to the body of knowledge on using a multi-method approach with a combination of documentary evidence and primary data gathered using qualitative research techniques including a series of stakeholder interviews and observation. This research employed the *Framework* thematic analysis as a way to organise and analyse the data collected. This approach to data analysis has a limited (or probably less documented) use in tourism studies. Therefore, its employment brings empirical experience to previous research in tourism studies (Brunt and Courtney 1999).

7.4 Recommendations for further research

This research added new insights to the understanding of tourism development in a transition context. Although the research findings cannot be generalized to other destinations, they could be

employed as a stepping stone for further research in other CEE tourism destinations on the Black Sea coast that have gone through the whole 'package' of political, economic and socio-cultural changes such as Romania, Russia, Ukraine and Georgia. The necessary and sufficient conditions for tourism development in these countries are very similar to those in the destination studied. On the other hand, tourism development in these countries has attracted very limited attention and very little is known about what has happened with the significant socialist legacy of tourism assets in those countries. Therefore, a comparative study of the influence of transition on tourism development employing the framework suggested in this research would contribute to expanding the body of knowledge in the field.

This thesis has discussed the issues in the context of CEE transition. The literature review suggested that many of the processes that determined tourism development on Bulgaria's North Black Sea coast in the 'core' of transition (1989-2001) were common to other CEE transition economies. It further showed that in the post-privatisation period (2002-2009) tourism followed patterns of development observed in other non-transition South European coastal destinations, such as Spain (see Bianchi 2004) and Greece (Andriotis 2001). More research on the commonalities and differences of the west-east patterns of development is needed to support such a conclusion. In other words, studying whether the post-transition CEE tourist destinations follow the same models of development as those developed in western theories when the countries have formally parted with the notion of transition.

As the studies on tourism in transition reveal the limitations of the uni-linear, development stage models, future research should question a number of assumptions. First, the assumption that tourism is a linear, deterministic activity, whose orderly development can be controlled from above by planners (McKercher 1999). This research revealed that a framework of strategic documents, legislation and regulation acts, had little effect without the state-enforced control mechanisms and funding. More attention should be drawn in the academic literature to the influence on the policy-making and policy-implementing process of factors such as excessive political influence and secure property rights (or else the political economy aspects of tourism studies). Further research, in and beyond the context of CEE transition, is needed to fill in the gap in understanding the role of 'mentalities' on pre-determining particular decision-making behaviour in blocking or encouraging

certain development paths. As this research showed, the themes social networks, human capital, the role of the individual (the personality of the entrepreneur) are understudied not only in the transition but in the wider context too and require more attention.

Finally, this research was not able to address some of the themes that emerged from the primary data analysis as significant in studying the impact of transition on the transformation of the tourist destination and the implementing of sustainability. These included the *organisational structures* of public, private and non-governmental institutions, *dependency*, and last but not least the impact of *globalization* through the influence of the external institutions, such as the World Bank and the International Monetary Fund. In the course of the data analysis and deciding which themes should be treated as 'global' or 'core' themes, some tentative findings suggested that the organisational structures in the transition period studied replicated the centralised structures of the pre-transition (socialist) period. Such centralised structures continued to concentrate the decision-making power in the top layer of the management and did not correspond to the new objectives imposed by the free-market economy. Further research is needed to illuminate the relationship between the evolution of organisational structures and the patterns of tourism development. The theme of *dependency* emerged in connection with the perceived 'massive expansion' of tourism accommodation in some tourist places. In the views of many study participants, this process was stimulated by the multinational tour operators through making available 'advantageous loans' to the local hoteliers. A further study revisiting the theme of *dependency* should include the perspectives of the tour operators to throw light on the issue in a new setting.

The theme of globalisation is not new to the transition context. However, the role of the international lending institutions in determining tourism development has been understudied in tourism studies. In this research, it was related with the need to privatise the tourism assets quickly and at any price in the first period studied (1989-2001), and with the opportunities to upgrade the outdated or missing infrastructure (water and sewerage systems in particular) in the second period (2002-2009). Considering the significance of the infrastructure in avoiding environmental degradation in the destination, this theme should also come into the focus of further research studies.

7.5 Conclusion

This chapter aimed to critically evaluate the research undertaken. It revisited the aims and objectives to demonstrate the adopted approach and relate the objectives with the *a priori* and the actual propositions. Finally, claims were made for original contribution, in employing the *path-dependence path-creation*, and using a more holistic and interdisciplinary approach in studying social phenomena.

While academic literature acknowledged that the CEE transition provided a convenient laboratory space for social observation, this research argued that it is time to take the ‘transition studies’ out of the spatial and disciplinary isolation. While taking into account the idiosyncrasies, the CEE tourism studies need to shift focus on the common features CEE countries share among themselves, but also with other changing ‘political and economic landscapes of tourism development’ around the world.

As this research concluded, the implementing of the principles of sustainability has not, and could not have been in the forefront of the development thinking in the period of transition, because of the fundamental shifts in the very foundations of the social order. Transition and sustainability can be seen as opposing paradigms. The concept of sustainable tourism development suggests actions based on long term strategies and agreement between various stakeholder groups. The implementing of the sustainability principles requires a long term forecasting and planning, clear priorities considering the sustainable development concept, investment policy with secured resources, market environment, integration between economic, social, ecological and regional policy, a wide assessment of the environmental impact, information provision and monitoring on development and last but not least a strong political will and public understanding and support. At the same time, the unprecedented transformations in economy, political life, institutions, legislation among others required radical and fast changes. This speed and the all-encompassing nature of the change has been a permanent generator of unsustainability. The conflict between the constraints of today and the concern about the distant future have been difficult to prevent. This research argued that if the destination studied is to implement the principles of sustainability in the practices of the stakeholders, there is still a long way to go.

REFERENCE LIST

Agenda 21. *The Five Rio Documents*. Agenda 21 for Change. International Institute for Sustainable Development. Rio Documents. Available from <http://www.iisd.org/rio+5/agenda/agenda21.htm>. [Accessed 5 December 2009]

Aleksandrova, G. and Nikolov Y., 2000. *CAPITAL*, 21 July. The shady business and political protégés divided the tourism sector among themselves. Available from: http://www.capital.bg/politika_i_ikonomika/bulgaria/2000/07/21/204054_senchestiiat_biznes_i_par_tiini_protejeta_si_podeliha/. [Accessed 15 May 2008] (in Bulgarian).

Alipour H and Dizdarevic L, 2007. A conceptual sustainability approach to tourism planning and development in post-war Bosnia and Herzegovina. *Tourism and Hospitality Planning & Development*, Vol.4, No.3, December 2007, 211-230.

Andriotis K. 2001. Tourism planning and development of Crete: recent tourism policies and their efficacy. *Journal of Sustainable Tourism*, Vol.9, No. 4, 298-316.

Andriotis, K., 2006. Hosts, guests and politics: coastal resort morphological change. *Annals of Tourism Research*, 33 (4), 1079-1098.

Attride-Stirling J., 2001. Thematic networks: an analytic tool for qualitative research. *Qualitative Research*, Vol. 1(3), 385-405.

Bachvarov, M., 1997. End of the model? Tourism in post-communist Bulgaria. *Tourism Management*, 18 (1), 43-50.

Bachvarov, M., 1999. Troubled sustainability: Bulgarian seaside resorts. *Tourism Geographies* 1(2), 192-203.

Bachvarov, M., 2006. Tourism in Bulgaria. In: Hall, D., Smith, M. and Marciszweska, B., eds. *Tourism in the New Europe: the challenges and opportunities of EU enlargement*, CABI International, 241-255.

Baidal, J. A., 2004. Regional tourism planning in Spain: Evolution and perspectives. *Annals of Tourism Research* 31(2), 313–333.

Baláž, V. and Williams, A.M., 2005. International tourism as bricolage: an analysis of Central Europe on the brink of European Union membership. *International Journal of Tourism Research*, 7, 79-93.

Barke, M. and Towner, J, 2004. Learning from experience? Progress towards sustainable future for tourism in the Central and Eastern Andalusian Littoral. In: Bramwell B., ed. *Aspects of tourism: Coastal mass tourism: diversification and sustainability in southern Europe*. Channel View Publications. 157-175.

BBC News Channel, 2008. EU warns Bulgaria after killings. *BBC News Channel*, 8 April. Accessible from: <http://news.bbc.co.uk/1/hi/world/europe/7337210.stm>. [Accessed 15 May 2008].

Begg R. And Pickles J., 1998. Institutions, social networks and ethnicity in the cultures of transition: industrial change, mass unemployment and regional transformations in Bulgaria. In: Pickles J. And Smith A. eds. *Theorising transition: the political economy of post-communist transformation*. Routledge. London and New York. 115-146.

Berdahl, D. 1997: *Where the world ended. Re-unification and identity in the German borderland*. Berkeley, CA University of California Press.

Bianchi, R. V. 2004. Tourism restructuring and the politics of sustainability: A critical view from the European periphery (The Canary Islands). *Journal of Sustainable Tourism*, 12(6), 495–529.

Bivol, A., 2010. Bulgaria's land swaps become an issue of European law. *The SofiaEcho*, 4 February. Available from: http://sofiaecho.com/2010/02/04/852861_bulgarias-land-swaps-become-an-issue-of-european-law [Accessed 5 March 2010]

Black Sea Act, 2007. Enforced 1 Jan 2008. Published in *State Gazette*, 48 of 15 June 2007.

Blokker, P., 2005. Post-communist modernization, transition studies, and diversity in Europe. *European Journal of Social Theory*. 8(4), 503-525.

Boyatzis, R.E., 1998. *Transforming qualitative information: thematic analysis and code development*. SAGE Publications.

Bradwshaw, M. And Stenning, A., 2000. The progress of transition in east and central Europe. In: Bachter, J., Downes, R. And Gorzelak, G., eds. *Transition, cohesion and regional policy in central and eastern Europe*. Ashgate: Aldershot, 11-31.

Bramwell, B., 2004a. The policy context for tourism and sustainability in Southern Europe's coastal regions. In: Bramwell B., ed. *Aspects of tourism: Coastal mass tourism: diversification and sustainability in southern Europe*. Channel View Publications. 32-45.

Bramwell, B., 2004b. Mass tourism, diversification and sustainability in southern Europe's coastal regions. In: Bramwell B., ed. *Aspects of tourism: Coastal mass tourism: diversification and sustainability in southern Europe*. Channel View Publications, 1-31.

Bramwell, B., 2007a. Opening new spaces in the sustainable tourism debate. *Tourism Recreation Research*, 32(1),1-9.

Bramwell, B., 2007b. Critical and normative responses to sustainable tourism. *Tourism Recreation Research*, 32(3), 76-78.

Bramwell, B. and Lane, B., 1993. Sustainable tourism; an evolving global approach. *Journal of Sustainable Tourism*, Vol.1(1), 1-6.

- Bramwell, B. and Lane, B., 2005. Sustainable tourism research and the importance of societal and social science trends. *Journal of Sustainable Tourism*, 13 (1), 1-3.
- Bramwell, B. And Meyer, D., 2007. Power and tourism policy relations in transition. *Annals of Tourism Research*, vol.34, (3), 766-788.
- Braun V. And Clarke V., 2006. Using thematic analysis in psychology. *Qualitative Research in Psychology*. Vol.3. 77-101. Available from www. QualResearchPsych.com. [Accessed 23 January 2010]
- Browne, A., 2006. EU prepares to embrace a land of greed, killing and corruption. Brussels is worried but not enough to stop Bulgaria joining. *The Times*, 12 May. Available from: <http://www.timesonline.co.uk/tol/news/world/europe/article716298.ece>. [Accessed 15 April 2009].
- Briassoulis, H., 2002. Sustainable tourism and the question of the commons. *Annals of Tourism Research*, 29(4), 1065-1085.
- Brunt P. And Courtney P., 1999. Host perceptions of sociocultural impacts. *Annals of Tourism Research*. Vol.26 (3). 493-515.
- Brundland report, 1987. *Our Common Future. Report of the World Commission on Environment and Development*. The Center for a World in Balance. Available from: <http://www.worldinbalance.net/intagreements/1987-brundtland.php> [Accessed 20 June 2010]
- Bryman A. and Bell E. 2003. *Business research methods*. Oxford University Press.
- Bryman A., 2008. *Social research methods*, 3rd ed., Oxford University Press.
- Buhalis D., 1999. Limits of tourism development in peripheral destinations: problems and challenges. *Tourism Management*. Vol. 20, 183-185.
- Burawoy, M. 1999: Afterword. In Burawoy, M. And Verdery, K., editors, *Uncertain transition: ethnographies of change in the postsocialist world*. Rowman and Littlefield Publishers Inc., 301–311.
- Burns P., 2004. Tourism planning: A third way? *Annals of Tourism Research* 31(1), 24–43.
- Butler R., 2000. Modelling tourism development: evolution, growth and decline. In: Wahab S. and Pigram J.J. (eds). *Tourism development and growth: the challenge of sustainability*. Routledge, 2nd ed. 109-128.
- Butler R., 2005. Developing the destination: difficulties in achieving sustainability. In: Alejziak W. and Winiarski R. *Tourism in scientific research*. Academy of physical education in Kraków. Kraków-Prestów.

CAPITAL, 1997. Interview with Deputy Minister of Trade and Tourism, Mariana Assenova. The state will withdraw from the management of tourism. *CAPITAL* 44 /01 November 1997. Available from <http://www.capital.bg/vestnikut/?issueid=406>. [Accessed 10 February 2008]

CAPITAL, 2004. Who's who in the club of the Bulgarian seaside tycoons. *CAPITAL*, 4 September. Available from: http://www.capital.bg/biznes/kompanii/2004/09/04/227763_koi_koi_e_v_kluba_na_bulgarskite_morski_magnati/ [Accessed 15 May 2008] (in Bulgarian)

Carter, F.W., 1991. Bulgaria. In: Hall, D. ed. *Tourism and economic development in Eastern Europe and the Soviet Union*. Belhaven Press, London, 220-235.

Chalakov, I. et al, 2008. *The networks of transition: What happened in Bulgaria after 1989*. Iztok-Zapad. (in Bulgarian).

Channel 3, 2008. *The Inconvenient*. TV, Channel 3, 5 March, 2130 hrs.

Choi B. 2005. *Barriers to effective collaboration between stakeholders in sustainable tourism*. PhD thesis, University of Surrey, Guildford.

Ciobanu C., 2008. Criminal networks extend into government. Bulgaria. *Inter Press Service News Agency*, 15 Apr 2008. Available from <http://ipsnews.net/news.asp?idnews=41989> [Accessed 5 May 2010].

Cizmar S. and Lisjak S., 2007. Tourism master plans - an effective tourism destination management tool in SEE. *South East European Journal of Economics and Business*, Vol.2, No.1, 48-57. 10.2478/v10033-007-0015-z

Clark, J., 1997. A framework of approaches to sustainable tourism. *Journal of Sustainable Tourism*, 5(3), 224-233

Coleman, J.S., 1988. Social capital in the creation of human capital. *The American Journal of sociology* Vol. 94. Supplement: Organizations and Institutions: sociological and economic approaches to the analysis of social structure. 95-120. Available from: http://onemvweb.com/sources/sources/social_capital.pdf. [Accessed 10 May 2011]

Colman, A., 2003. *A Dictionary of Psychology*. Oxford University Press.

Compendium of the spatial planning system in the Republic of Bulgaria, National Centre for Regional Development. Available from: http://www.coe.int/t/dg4/cultureheritage/heritage/cemat/compendium/CompendiumBG_en.pdf. [Accessed 15 June 2009]

Cook, K.S. et al. 2004. The emergence of trust networks under uncertainty: the case of transitional economies-insights from social psychological research. In: Kornai, J., Rothstein, B. And Rose-

Ackerman S., eds. *Creating social trust in post-socialist transition*. New York: Palgrave Macmillan, 193- 212.

Cooper, C.P., 2007, Key policy challenges and needs in support of alternative tourism development in Bulgaria. In: OECD, USAID and LEED Programme *Fostering SMEs and entrepreneurship development in the tourism sector in Bulgaria – an active review. Discussion Report – 15 October 2007*. Sofia, Bulgaria, 18-22 June 2007, 47-68.

Creed G.W., 1999. Deconstructing socialism in Bulgaria. In: Burawoy M. And Verdery K. eds. *Uncertain transition: ethnographies of change in the postsocialist world*. Rowman & Littlefield Publishers Inc., 223-244.

Daun Å., 2004. *Swedish mentality*. The Pennsylvania State University Press. 5th edition.

Davidson R. and Maitland R., 1997. *Tourism destinations*. Hodder & Stoughton.

Debande O. and Friebel G., 2004. A positive theory of give-away privatization. *International Journal of Industrial Organization*, Vol. 22. 1309-1325.

Decrop, A., 2004. Trustworthiness in qualitative tourism research. In: Phillimore, J. and Goodson, L., eds.. *Qualitative research in tourism: ontologies, epistemologies and methodologies*. London: Routledge. 156-169.

Plan for development of Balchik municipality, 2005-2013. Balchik Municipality. Approved by Decision 247/30.08.2005 of Municipality Council. Private archives. (in Bulgarian).

Dieperink C., van Duivenbode L. and Boesten R., 2008. Double Dutch? Transferring the integrated area approach to Bulgaria. *Paper for the 2008 Berlin Conference on the Human Dimensions of Global Environmental Change, Berlin, 22-23 February 2008*. Available from http://userpage.fu-berlin.de/ffu/akumwelt/bc2008/papers/bc2008_317_Dieperink.pdf. [Accessed 20 June 2008].

Dimitrova, M., 2010. Land swaps – Damocles sword for Bulgaria. *BNR*, 9 April. Available from: <http://bnr.bg/sites/radiobulgaria/Lifestyle/Life/Pages/Zamenki.aspx>. [Accessed 5 December 2010]

DNEVNIK, 2005. Criminal groups invest their money in tourism. *DNEVNIK*, 02 February. Available from: http://www.dnevnik.bg/bulgaria/2005/02/02/86497_prestupni_grupirovki_vlagat_parite_si_v_turizma/. [Accessed 5 May 2008] (in Bulgarian)

DNEVNIK, 2006 Polish Commercial Attache: Bulgaria is a dangerous place for business. *DNEVNIK*, 9 November. Available from: http://www.dnevnik.bg/evropa/biznes/2006/11/08/292582_polskiat_turgovski_atashe_bulgariia_e_opasno_miasto/. [Accessed 5 May 2008] (in Bulgarian)

DNEVNIK 2008. If there is someone willing to pay ... DNEVNIK, 20 April. Available from: http://www.dnevnik.bg/analizi/redakcionni_komentari/2008/04/20/487620_kato_ima_koi_da_im_plashta/. [Accessed 5 June 2008].

Dodds, R., 2005. *Barriers to effective implementation sustainable tourism policy in destinations*. PhD Thesis, University of Surrey, Guildford.

Drucker, P. F., 1995. *Management in a time of great change*. Butterworth-Heinemann.

Dunford M., 1998. Differential development, institutions, modes of regulation and comparative transitions to capitalism: Russia, the Commonwealth of independent states and the former German Democratic Republic. In: Pickles J. And Smith A. eds. *Theorising transition: the political economy of post-communist transformation*. Routledge. London and New York. 76-114.

EC decision 2006/929/EC of 13 December 2006 Establishing a mechanism for cooperation and verification of progress in Bulgaria to address specific benchmarks in the areas of judicial reform and the fight against corruption and organised crime. *Official Journal of the European Union L 354/58 of 14.12.2006*. Available from <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2006:354:0058:0060:EN:PDF>. [Accessed 5 May 2008]

Environmental Performance Reviews. Bulgaria, Second review. 2000. Economic Commission for Europe – Committee on Environment; Policy. United Nations –New York and Geneva.2000. Available from http://www.unece.org/env/epr/epr_studies/bulgaria.pdf. [Accessed 18 October 2008].

Eser, T., 2000. Transformation and the interdependence between political and economic development. In: Bachter, J., Downes, R. And Gorzelak, G., eds. *Transition, cohesion and regional policy in Central and Eastern Europe*. Ashgate: Aldershot, 33-48.

Evrev, P., 1999. *Spatial planning of tourism and leisure*. 2nd edition. St. Kliment Ohridski University Press, Sofia (in Bulgarian).

Eyal, G., Szelenyi, I. and Townsley, E., 1998. *Making Capitalism without Capitalists*. Verso: London & New York.

Farsari, Y., Butler, R. and Prastacos, P., 2007. Sustainable tourism policy for Mediterranean destinations: issues and interrelationships. *International Journal of Tourism Policy*, 1(1), 58-78.

Fletcher, J., 2005. Sustainable tourism. In: Cooper, C., Fletcher, J., Fyall, A., Gilbert D. and Wanhill S., eds. *Tourism, principles and practice*. Pearson Education Limited, 258-295.

Flick, U., 2002. *An introduction to qualitative research*. Sage Publications Ltd.

Fritz, V., 2004. State weakness in Eastern Europe: concept and causes. *EUI Working papers*, RSCAS No. 2004/35. European University Institute, Robert Schuman Centre for Advanced Studies.

- Galenson, A., 2004. *Economies in transition: An OED Evaluation of World Bank Assistance*. Washington, DC, USA: World Bank Publications. Available from: <http://site.ebrary.com/lib/bournemotuh/DOC?id=10066773&ppg=82> [Accessed 15 January 2008]
- Gambetta D. 2002 Corruption: an analytical map. In: Kotkin S. and Sajó A., 2002. *Political corruption in transition: a sceptic's handbook*. Central European University Press. Budapest-New York. 33-56.
- Garrod , B. and Fyall, A., 1998. Beyond the rhetoric of sustainable tourism? *Tourism management* 19(3), 199-212.
- General Development Plan - Varna Municipality 2009*. (General Structural Plan). Territorial Project Organisation Varna and National Centre for Development of the Territory (EAD) Sofia. Available from: <http://www.tpovarna.com/index.php?page=varna&item=39>. [Accessed 3 June 2009] (in Bulgarian).
- General Development Plan - Balchik Municipality 1997*. (General Structural Plan). Private archives. (in Bulgarian).
- Georgieva, S. 2006. Head of tourism sucked because of allegations for corruption. *SEGA Internet edition*. Available from: <http://www.segabg.com/online/article.asp?issueid=2507§ionid=3&id=0000701>. [Accessed 5 May 2008] (in Bulgarian)
- Ghodsee, K., 2005. *The Red Riviera: gender, tourism and post socialism on the Black sea*. Duke University Press, Durham and London.
- Giatzidis, E., 2002. *An introduction to post-Communist Bulgaria: political, economic and social transformation*. Manchester University Press.
- Grabher G. and Stark D., 1998. Organising diversity: evolutionary theory, network analysis, and post-socialism. In: Pickles J. And Smith A. eds. *Theorising transition: the political economy of post-communist transformation*. Routledge. London and New York. 54-75.
- Granovetter, M., 1985. Economic action and social structure: the problem of embeddedness. *American Journal of Sociology*. 91 (1985), 481-93.
- Grødeland Å.B. , Koshechkina T.Y. and Miller W.L. 1998. 'Foolish to give and yet more foolish not to take' – in-depth interviews with post-communist citizens on their everyday use of bribes and contacts. *Europe-Asia Studies*, Vol.50, No.4. 651-677.
- Gormsen, E., 1997. The impact of tourism on coastal areas. *GeoJournal* 42 (1), 39-54.
- Guide Bulgaria: information about cities, villages, regions and resorts in Bulgaria*. Varna Municipality <http://www.guide-bulgaria.com/NE/Varna/Varna>. [Accessed 23 June 2010]

Guide Bulgaria: information about cities, villages, regions and resorts in Bulgaria. Balchik Municipality <http://www.guide-bulgaria.com/NE/Dobrich/Balchik> [Accessed 23 June 2010]

Hall, C.M., 2008. *Tourism planning: policies, processes and relationships*. 2nd ed. Pearson: Prentice Hall.

Hall, D., 1991. *Tourism and economic development in Eastern Europe and the Soviet Union*. London: Belhaven Press.

Hall, D., 1993. Tourism in Eastern Europe. In: Pompl W. and Lavery P., eds. *Tourism in Europe: structures and development*, CAB International, 341-358.

Hall, D., 1995. Tourism change in Central and Eastern Europe. In: Montanari, A. and Williams A., eds, *European tourism: regions, spaces and restructuring*. Chichester: Wiley, 221-244.

Hall, D., 1998. Tourism Development and Sustainability Issues in Central and South-Eastern Europe. *Tourism Management*. Vol. 19 (5), 423-431.

Hall, D., 2000a. Bulgaria. In: Hall, D. and Danta D. eds. *Europe goes east: EU enlargement, diversity and uncertainty*. London: The Stationery Office. 215-229.

Hall, D., 2000b. Sustainable development and transformation in Central and Eastern Europe. *Journal of Sustainable Tourism*, 8(6), 441-456.

Hall, D., 2003. Rejuvenation, diversification and imagery: sustainability conflicts for tourism policy in the Eastern Adriatic. *Journal of sustainable tourism*, Vol. 11 (2&3), 280-294.

Hall, D., 2004. Key themes and framework. In: Hall, D. *Tourism and transition: governance, transformation and development*. CABI Publishing, 25-51.

Hall, D., 2008. From 'Bricklaying' to 'Bricolage': Transition and tourism development in Central and Eastern Europe. *Tourism Geographies*. 10:4. 410-428.

Hall, D. and Roberts, L., 2004. Conclusions and future agenda. In: Hall, D. (ed.) *Tourism and transition: governance, transformation and development*. CABI Publishing, 217-227.

Hardy, A., Beeton, R.J.S. and Pearson, L., 2002. Sustainable tourism: An overview of the concept and its position in relation to conceptualizations of tourism. *Journal of Sustainable Tourism*, 10 (6), 475-496.

Harrison, D., 1993. Bulgarian tourism: a state of uncertainty. *Annals of Tourism Research*, Vol. 20, 519-534.

Hawkins D.E. and Mann S., 2007. The World Bank's role in tourism development. *Annals of Tourism Research*. Vol.34 (2), 348-362.

- Hofstede G., 1980. *Culture's consequences: international differences in work-related values*. Cross-cultural research and methodology series, vol.5. Newbury Park. London. Sage.
- Holden, A., 2006. *Tourism studies and the social sciences*. Routledge.
- Holloway, I. 1997. *Basic concepts for qualitative research*. Blackwell Science Ltd.
- Holloway, I. And Wheeler, S., 2002. *Qualitative Research in Nursing*. 2nd edition. Blackwell Science Ltd.
- Hörschelmann K. and Stenning A, 2008. Ethnographies of postsocialist change. *Progress in Human Geography* 32(3) (2008) 339–361. Available from <http://dro.dur.ac.uk/5051/1/5051.pdf>. [Accessed 16 April 2010].
- Howard M.M., 2003. *The weakness of civil society in post-communist Europe*. Cambridge University Press, UK. Available from <http://catdir.loc.gov/catdir/samples/cam033/2002024638.pdf> [Accessed 7 May 2010].
- Hunter, C., 1997. Sustainable tourism as an adaptive paradigm. *Annals of Tourism Research*. Vol. 24, 850-867.
- Instructions for the organisation and work of the Tourism Consultative Council at Balchik Municipality*. Decision 164, Minutes 18/31.01.2005, Municipality council, Balchik.
- Ivanov, M., 2003. Allegations for corruption emerged in cultural tourism projects under PHARE. *DNEVNIK PAZARI*, 12 October. Available on: http://www.dnevnik.bg/pazari/companii/2003/10/12/152695_sumneniia_za_korupciia_se_poiaviha_pri_proektite_za/. [Accessed on 5 May 2008].
- Ivanov, M., 2004. Huge hotels and record investments flooded seaside resorts. *DNEVNIK.bg*, 3 June 2004. Available from http://www.dnevnik.bg/dnevnikplus/2004/06/03/159867_ogromni_hoteli_i_rekordni_investicii_zali_vat_morskite/. [Accessed 10 February 2008]
- Jaakson, R., 1996. Tourism in transition in post-Soviet Estonia. *Annals of Tourism Research*. Vol. 23, 617-634.
- Jafari, J., 2001. The scientification of tourism. In: Smith, V.L. and Brent, M., eds. *Hosts and guests revisited: tourism issues of the 21st century*. Cognizant Communication Corporation, 28-41.
- Jennings, G., 2001. *Tourism research*. John Wiley & Sons Australia, Ltd.
- Johannesburg Summit, 2002. *Bulgaria Country Report*. The 2002 Country Profile Series, UN publication.

- Jordan P., 2000. Restructuring Croatia's coastal resorts: change, sustainable development and the incorporation of rural hinterlands. *Journal of Sustainable Tourism*. Vol.8, No.6, 525-539.
- Kalcheva Y. and Nikolov Y., 2001. The Black Sea Coast: between the state, corruption and concessionaires. *CAPITAL*, 16 June. Available from: http://www.capital.bg/politika_i_ikonomika/bulgaria/2001/06/16/209386_spasitelite_na_plaja/. [Accessed 15 May 2008] (in Bulgarian)
- Kostadinov, P. 2009. Kidnapping Business. *The Sofia Echo online*, Fri. April 03, 2009. Available from http://sofiaecho.com/2009/04/03/699028_kidnapping-business [Accessed 5 May 2009]
- Kostov, K. 2006. St. St. Constantine and Elena: We are planning to expand in the mountain resorts. *Investor.bg*. Available from the archives section on http://events.dir.bg/_wm/news/news.php?nid=38768&df=19379&dflid=3. (in Bulgarian) [Accessed 16 June 2008]
- Koulov, B., 1996. Market reforms and environmental protection in the Bulgarian tourism industry. In: Hall, D. and Danta, D. eds. *Reconstructing the Balkans: a geography of the new Southeast Europe*. John Wiley and Sons Ltd., 187-196.
- Kvale, S., 1996. *InterViews: an introduction to qualitative research interviewing*. SAGE Publications.
- Lavigne, M., 1999. *The economics of transition: From socialist economy to market economy*. 2nd edition. New York: Palgrave.
- Letki, N. and Evans G., 2002. Social capital and responses to political and economic transformation in East-Central Europe. Nuffield College Politics Working Paper 2002-W9. Available from: http://scholar.google.co.uk/scholar?q=Social+trust+and+responses+to+political+and+economic+transformation&hl=en&as_sdt=0&as_vis=1&oi=scholar [Accessed 19 May 2011].
- Light, D. and Dumbrăveanu, D., 1999. Romanian tourism in the post-communist period. *Annals of Tourism Research*, 26 (4), 898-927.
- Liargovas, P. and Chionis, D., 2002. Barriers to the transition of enterprises from central plan to market economy: The Balkan case. *Journal of Southern Europe and the Balkans*, 4(2), 191-206.
- Liu, Z.H., 1994. Tourism development-a systems analysis. In: Seaton, A.V. et al. (eds) *Tourism: The state of art*. Wiley, 20-30.
- Macbeth, J., 2005. Towards an ethics platform for tourism. *Annals of Tourism Research*. Vol.32 (4), 962-984.
- Mahoney J., 2000. Path dependence in historical sociology. *Theory and Society* 29. 507-548.

- Mahoney J.T., 2005. *Economic foundations of strategy*. Foundations for organizational science. A SAGE publications series. SAGE Publications. Thousand Oaks London-New Delhi.
- Mancheva, I., 2005. The last distribution in tourism. *TEMA*, 32(200) 15-21 August. Available from <http://www.temanews.com/index.php?p=tema&iid=243&aid=6089> [Accessed 20 February 2008] (in Bulgarian)
- Marinov, V., 1996. *Barriers for the development of eco- and sustainable tourism in South-West Bulgaria*. Conference paper, authors archives (in Bulgarian).
- Marinov, V. and Dogramadjieva, E., 2004. *Evaluation of tourism development strategies (the case of the National strategy for development of ecotourism in Bulgaria)*. Author's archives.
- Marinov, V., 1999. Challenges to sustainable development of tourism in Bulgaria. *Annual of Sofia University, Faculty of Geography*. Vol. 92, 1999 (in Bulgarian).
- Marinov, V., Popov, S. and Garnizov V., 1998. Challenges to sustainable development in Bulgaria. *In: Towards local sustainability in Central and Eastern Europe*. A regional conference in the framework of the European Sustainable Cities and Towns campaign, Sofia, November 12-15, 1998. Authors archives. (in Bulgarian).
- Marinov, V., Petrov, P., 2000. Challenges to Bulgarian tourism in the beginning of the 21st century. *In: Problems of Geography*, 2000. Author's archives (Bulgarian).
- Markova, Z. 2008. What did not happen in tourism in 2007. *DNEVNIK*, 1 January. Available from: http://www.dnevnik.bg/pazari/2008/01/01/410785_kakvo_ne_se_sluchi_v_turizma_prez_2007_g/. [Accessed 5 May 2009].
- Marsh, C., 2000. Social capital and democracy in Russia. *Communist and post-communist studies* 33, 183-199.
- Marshall, C. and Rossman, G.B., 2006. *Designing qualitative research*, 4th ed. SAGE Publications.
- McKercher B., 1999. A chaos approach to tourism. *Tourism Management*. Vol. 20, 425-434.
- Miles, M. B. and Huberman, A. M., 1994. *Qualitative data analysis: An expanded sourcebook*. 2nd ed. SAGE Publications.
- Miller, C. 2008. Bulgaria's threat from corruption. *BBC News Channel*, 18 March. Accessible from: <http://news.bbc.co.uk/1/hi/world/europe/7301316.stm>. [Accessed 15 May 2008].
- Ministry of Regional Development and Public Works (MRRB), 2007. *Operational Programme Regional Development, 2007-2013*. Sofia, September 2007.
- MINTEL International Group, 2007. *Travel and Tourism – Bulgaria*.

Mireva, V., 2008. System support and trust in elites in Bulgaria 1992-2002. In: Blasko A and Janauskiene D. eds., *Political transformation and changing identities in Central and Eastern Europe*. The Council for Research in Values and Philosophy, Lithuanian Philosophical studies, VI, Cultural Heritage and Contemporary Change Series IVA, Eastern and Central Europe, Vol. 36, Gen. editor G.F. McLean, 375-396.

Mitra, P. And Selowsky M, 2002. *Transition, the first ten years: analysis and lessons for Eastern Europe and the former Soviet Union*. The International Bank for Reconstruction and Development. The WORLD BANK: Washington, D.C.

Mowforth, M. and Munt, I., 1998. *Tourism and sustainability: new tourism in the third world*, Routledge.

National Ecotourism Strategy and Action Plan for Bulgaria Ecotourism-Naturally Bulgaria, Sofia, Bulgaria, 2004. Available from:
http://landconsult.de/dobrogea/ecotourism/National_Ecotourism_Strategy_and_Action_Plan_for_Bulgaria_ENG.pdf. [Accessed 18 October 2010]

National Plan for Economic Development 2000-2006, Sofia, Bulgaria. Available from :
http://212.122.160.99/old/bg/oficial_docs/strategies/aPNDP_final_text.html. [Accessed 10 January 2009]

National Regional Development Strategy of the Republic of Bulgaria, 2005-2015, Sofia, Bulgaria. Available in English language from:
<http://www.mrrb.government.bg/index.php?lang=bg&do=law&type=4&id=222>. [Accessed 10 June 2008].

NHDP Report. Bulgaria 2000, *The Municipal Mosaic*, Sofia, Bulgaria. Available from
<http://www.undp.bg/publications.php> [Accessed 5 March 2008].

NHDP 2006. *Are we prepared for European Union funds?* Sofia, Bulgaria. Available from
<http://www.undp.bg/publications.php> [Accessed 5 March 2008].

NSI National Statistical Institute, 2006. *Tourism 2006*. Publications Division. Sofia, Bulgaria.

NSI National Statistical Institute, 2007. *Tourism 2006*. Publications Division. Sofia, Bulgaria.

NSI National Statistical Institute, 2008. *Regions and districts in the Republic of Bulgaria, 2002-2006*. Publications Division, Sofia, Bulgaria.

Nielsen, K., Jessop B., Hausner J., 1995. Institutional change in post socialism. In: Nielsen, K., Jessop B., Hausner J., eds. *Strategic choice and path dependency in post socialism: institutional dynamics in the transformation process*. Edward Edgar: Aldershot, 3-44.

Nikolov, Y. , 1997. The Mafia on the way to annex ... The attempt on the life of the municipal privatisator bodes disclosure of the links between the local authorities and criminal groups.

CAPITAL, 25 Oct, Available from:

http://www.capital.bg/politika_i_ikonomika/bulgaria/1997/10/25/241353_mafiiata_e_na_put_da_an_eksira/ [Accessed 15 May 2008] (in Bulgarian)

Nikolov, Y., 1998a. Five hotels in Golden Sands already privatised? *CAPITAL*, 14 March. Available from:

http://www.capital.bg/vestnikut/privatizaciia/1998/03/14/243549_pet_hotela_na_zlatni_piasuci_moje_da_se_okajat/. [Accessed 15 May 2008] (in Bulgarian)

Nikolov, Y., 1998b. The first ten hotels on sale in St. St. Constantine and Elena resort. Seven hotels not included in the list due to privatisation under the table. *CAPITAL*, 11 April. Available from: http://www.capital.bg/politika_i_ikonomika/bulgaria/1998/04/11/243991_prodatvat_purvite_10_obekta_v_kompleksa_sv_sv/. [Accessed 15 May 2008] (in Bulgarian)

Nikolov, Y., 1998c. The arrest of Cholakov proves that the Mafia has annexed Varna. *CAPITAL*, 18 July. Available from:

http://www.capital.bg/politika_i_ikonomika/bulgaria/1998/07/18/245581_arestut_na_cholakov_-_dokazatelstvoto_che_mafiiata_e/. [Accessed 15 May 2008] (in Bulgarian)

Nikolov, Y., 1999. Corruption – the product of transition. *CAPITAL*, 13 March. Available from:

http://www.capital.bg/politika_i_ikonomika/bulgaria/1999/03/13/249293_korupciiata_-_neobhodimoto_zlo_na_prehoda/. [Accessed 15 May 2008] (in Bulgarian)

Nikolov, Y. 2000. The charities - ways of (mis-) use. *CAPITAL*, 15 Sept. Available from:

http://www.capital.bg/politika_i_ikonomika/bulgaria/2000/09/15/204784_fondaciiite_-_nachin_na_zloupotreba/. [Accessed 15 May 2008] (in Bulgarian)

Nikolov, Y., 2001. The tail of the lizard hit the government. *CAPITAL*, 3 February. Available from:

http://www.capital.bg/politika_i_ikonomika/bulgaria/2001/02/03/206915_opashkata_na_gushtera_u_dari_upravliavashtite/. [Accessed 15 May 2008] (in Bulgarian)

Nikolov, Y., 2003 Why was Ilia Pavlov assassinated. *CAPITAL*, 15 March. Available from:

http://www.capital.bg/politika_i_ikonomika/bulgaria/2003/03/15/220323_zashto_beshe_ubit_iliia_pavlov/. [Accessed 15 May 2008] (in Bulgarian)

Nikolov, Y., 2004. Nothing new on the corruption front. *CAPITAL*, 14 February. Available from:

http://www.capital.bg/politika_i_ikonomika/bulgaria/2004/02/14/225085_na_korupcionniiia_front_-_nishto_novo/. [Accessed 15 May 2008] (in Bulgarian)

Nikolov, Y., 2005. The shot illusion of the legal business: the transition began with primitive accumulation of capital and seems to finish with subsequent clearance of accounts. *CAPITAL*, Politics and Economy, 5 November. Available from

http://www.capital.bg/politika_i_ikonomika/bulgaria/2005/11/05/233588_prostrelanata_iljuziia_na_legalniiia_biznes/. Accessed 12 December 2011. (in Bulgarian).

North East Planning region. Regional Innovation Strategy, 2008. Available from: <http://www.nebg-ris.net/Portals/0/asen/book%20BG%202.pdf>. [Accessed 10 January 2009] (Bulgarian)

Novakova, I., 2010. The minister of agriculture: the land swaps are the biggest theft of the transition. *DNEVNIK*, 22 February, Available from: http://www.dnevnik.bg/bulgaria/2010/02/22/862442_zemedelskiiat_ministur_zamenkite_na_zemi_s_a/ [Accessed 5 March 2010].

Oppermann, M., 1993. Tourism space in developing countries. *Annals of Tourism Research*, 20, 535-556.

Ordinance 14 for resort resources, resort places and resorts. Ministry for Public Health and Social Works, 2004. Published in State Gazette 79/13 Oct 1987, amended 10 August 2004. Available from: <http://www.lex.bg/bg/guide#nav1>. [Accessed 5 June 2008]

Oxford Dictionaries Online, 2011. Oxford University Press. Available from: http://oxforddictionaries.com/view/entry/m_en_gb0644810#m_en_gb0644810 [Accessed 21 January 2011].

Oxford English Dictionary, 2003. Oxford University Press.

Oxford English Dictionary, 2006. Oxford University Press.

Page S., 2009. *Tourism management- managing for change*. Elsevier Butterworth-Heinemann, 3rd edition.

Pearlman, M. V., 1990. Conflicts and constraints in Bulgaria's tourism sector. *Annals of Tourism Research*, 17, 103-122.

Pearce, D., 1989. *Tourist development*. Longman.

PHARE Projects BG 2003/004-937.02.02 EUROPAID/I20047/D/SV/BG. Technical assistance to Bulgarian State Tourism Agency Dec 01, 2005-Nov 30, 2006. Ministry of Economy, Bulgaria.

Phillimore, J. And Goodson, L., 2004 eds.. *Qualitative research in tourism: ontologies, epistemologies and methodologies*. London:Routledge.

Philp M., 2002. Political corruption, democratization, and reform. In: Kotkin S. and Sajó A., eds.. *Political corruption in transition: a sceptic's handbook*. Central European University Press. Budapest-New York, 57-80.

Plan for development of ecotourism, 2004. Ecotourism destination – North Black Sea coast and North-east Stara Planina. Varna Chamber of Tourism. With the support of USAID through Project 'Biodiversity Conservation and Economic Growth – II'. Available from <http://www.vct-bg.org/index.php?ekod=bg&menu=4>. [Accessed 5 February 2008]

Pickles, J. and Smith A., 1998. Introduction: theorising transition and the political economy of transformation. In: Pickles, J. and Smith A., eds. *Theoretising transition: the political economy of post-communist transformations*. Routledge, 1-24.

Plog S.C., 2001. Why destination areas rise and fall in popularity. An update of a Cornell Quarterly Classic. *Cornell Hospitality Quarterly*. 42;13, 13-24.

Popova, M., 2009. The USA State Department criticized the corruption in Bulgaria. *DNEVNIK*, 26 February. Available from: http://www.dnevnik.bg/bulgaria/2009/02/26/682219_i_durjavniat_departament_razkritikuva_korupciiata_v/. [Accessed 18 April 2010]

Programme for sustainable tourism development, 2007-2013. Varna municipality. Available from http://www.vct-bg.org/dokumenti/PROG.Varna_11.01.2008.forPrint.pdf. [Accessed 15 February 2009].

Proust, M., 2002. *In search of lost time*. Volume V. London: Allen Lane/Penguin.

Putnam, R., 1995. Tuning in, tuning out: the strange disappearance of social capital in America. The Ithiel de Sola Pool Lecture. *Political science and politics*, Vol. 28, No. 4 (Dec., 1995), 664-683.

Radaev, V., 2004. How trust is established in economic relationships when institutions and individuals are not trustworthy: the case of Russia. In: Kornai, J., Rothstein, B. And Rose-Ackerman S., eds. *Creating social trust in post-socialist transition*. New York: Palgrave Macmillan, 91-110.

Raiser, M., et al. , 2001. Social capital in transition: a first look at the evidence. European Bank for Reconstruction and Development. Working paper N: 61, February 2001. Available from: <http://www.ebrd.com/downloads/research/economics/workingpapers/wp0061.pdf>. [Accessed 10 May 2011].

Raiser, M., et.al., 2004. Measuring trust in transition: preliminary findings from 26 transition economies. In: Kornai, J., Rothstein, B. And Rose-Ackerman S., eds. *Creating social trust in post-socialist transition*. New York: Palgrave Macmillan. 55-70.

Rakadjijaska, S. Tourism in the North-East planning region. In: *Project 014 664, 6th Framework, Measure "Research and innovations"*. Authors archives, Nov. 2007.

Rebollo, J.F.V. and Baidal, J.A.I., 2004. Measuring sustainability in a mass tourism destination: pressures, perceptions and policy responses in Torrevieja, Spain. In: Bramwell, B. , ed.. *Aspects of tourism. Coastal mass tourism: diversification and sustainable development in Southern Europe*. Channel View Publications, 176-199.

Riley, R., 2000. Embeddedness and the tourism industry in the Polish southern uplands. *European Urban and Regional Studies*, 7(3), 195-210.

- Ritchie, J. and Spencer, L., 1994. Qualitative data analysis for applied policy research. *In: Bryman, A. and Burgess, R. G. eds. Analysing qualitative data.* London Routledge, 173-194.
- Roberts L. and Simpson F., 1999. Developing partnership approaches to tourism in Central and Eastern Europe. *Journal of Sustainable Tourism.* Vol. 7(3&4), 314-330.
- Robson, C., 2002. *Real world research*, 2nd ed., Oxford, Blackwell.
- Russell R. and Faulkner B., 1999. Movers and shakers: chaos makers in tourism development. *Tourism Management.* Vol. 20, 411-423.
- Russo and Segre, 2009. Destination models and property regimes: an exploration. *Annals of Tourism Research.* Vol.36, No.4, 587-606.
- Ryan G.W. and Bernard H.R. 2003. Techniques to identify themes. *Field Methods*, Vol.15 (1), 85-109.
- Saarinen, J., 2006. Traditions of sustainability in tourism studies. *Annals of Tourism Research*, 33, (4), 1121-1140.
- Saarinen, J. And Kask T., 2008. Transforming tourism spaces in changing socio-political contexts: the case of Pärnu, Estonia, as a tourist destination. *Tourism Geographies.* 10:4, 452-473.
- Sadler J., 2004. Sustainable tourism planning in Northern Cyprus. *In: Bramwell B., ed. Aspects of tourism: Coastal mass tourism: diversification and sustainability in southern Europe.* Channel View Publications, 133-156.
- Sajó A., 2002. Clientelism and extortion: corruption in transition. *In: Kotkin S. And Sajó A. eds. Political corruption in transition: a sceptic's handbook.* Central European University Press. Budapest-New York, 1-22
- Saunders, M., Lewis, P. and Thornhill, A., 2007. *Research methods for business students*, 4th ed.. Pearson Education Ltd., Prentice Hall.
- Smith S.L.J., 2010. *Practical tourism research.* CABI Tourism Texts. Cambridge. Mass: CAB International.
- Smith A. and Pickles A., 1998. Introduction: theorising transition and the political economy of transformation. *In: Pickles J. And Smith A. eds. Theorising transition: the political economy of post-communist transformation.* Routledge. London and New York, 1-24.
- Sotiropoulos D.A., Neamtu I. and Stoyanova M., 2003. The trajectory of Post-communist welfare state development: The cases of Bulgaria and Romania. *Social Policy & Administration.* Vol.37, No.6. Dec. 2003, 656-673.

- Stark, D., 1996. Recombinant property in East European capitalism. *American Journal of Sociology*, Vol.101, number 4 (Jan 1996), 993-1027. Available from http://thesenseofdissonance.com/media/paper_recombinant_property.pdf [Accessed 3 February 2010].
- Stark, D. and Bruszt, L., 1998. *Post-socialist pathways: transforming politics and property in East Central Europe*. Cambridge University Press.
- Stake, R. E., 1995. *The art of case study research*. Thousand Oaks: Sage.
- TEMA, 2002. The birth of a new constellation. *TEMA*, 24 (38) June 2002.
- Territorial, Urban and Rural Development Act*, Republic of Bulgaria. Promulgated State Gazette No.29/10.04.1973. Amended SG No: 32/1973, 87/1974; 3&102/1977, 36/1979, 3/1980, 45/1984, 19/1985, 36/1986, 14/1988, 31&32/1990, 15/1991&63/1995. Available from : <http://unpan1.un.org/intradoc/groups/public/documents/untc/unpan016426.pdf> [Last Accessed 18 October 2010]
- The Economist, 2011. Economics A-Z. Available from: <http://www.economist.com/research/Economics/alphabetic.cfm?letter=R#rent-seeking>. [Accessed 11 May 2011].
- Tinsley R. And Lynch P., 2001. Small tourism business networks and destination development. *International Journal of Hospitality Management* 20 (4), 367–378.
- Tomer, J.F., 2002. Intangible factors in the eastern European transition: a socio-economic analysis. *Post-communist economies*. 14(4), 421-444.
- Todorova, M. 1997. *Imagining the Balkans*. Oxford: Oxford University Press
- Tomova, V., 2008. The feudal kingdom of Golden Sands. *Afera.bg*, 29 February. Availbale from: http://www.afera.bg/index.php?option=com_content&task=view&id=237&Itemid=27 [Accessed 5 May 2008].
- Tomova, V, 2009. *The Gangster Varna*. Izdatelstvo Sluntse. (in Bulgarian)
- Tonchev, T., 2007. *Strategy For Sustainable Development of Bulgarian Tourism, 2007-2013* (Consultation paper). Available from: http://www.tourism.government.bg/bg/tourism_politic.php?menuid=51&id=52. [Accessed 08 August 2007]. (in Bulgarian)
- Toneva P.I. 2009. Ownership restructuring of the hotel industry in Bulgaria. *Acta turistica*, Vol.21 (2) 130-249. UDK:640.412:338.246.025.88>(497.2)

Tosun C., Timothy D.J. and Öztürk Y., 2004. Tourism growth, national development and regional inequality in Turkey. *In: Bramwell B., ed. Aspects of tourism: Coastal mass tourism: diversification and sustainability in southern Europe*. Channel View Publications, 85-113.

Tsartas P., 2004. Tourism development in Greek insular and coastal areas: sociocultural changes and crucial policy issues. *In: Bramwell B., ed. Aspects of tourism: Coastal mass tourism: diversification and sustainability in southern Europe*. Channel View Publications, 68-84.

TSG, Tourism Sustainability Group, Feb. 2007. *Action for more sustainable European tourism: Report*. Available from http://ec.europa.eu/enterprise/sectors/tourism/sustainability-competitiveness/tourism-sustainability-group/index_en.htm. [Accessed 10 September 2007]

Tulloch, G., 1998. The fundamentals of rent-seeking. *The Locke Luminary*, Vol.I, No.2 (Winter 1998) Part 2. Available from: http://www.thelockeinstitute.org/journals/luminary_v1_n2_p2.html [Accessed 11 May 2011].

Tzvetkova, M. 2008. Aspects of the evolution of extra-legal protection in Bulgaria (1989-1999). *Trends Organ Crim* (2208) 11. DOI 10.1007/s12117-008-9054-9 . 326-351.

UNDP, 1996. *Human Development Report Bulgaria 1996*. Published for United Nations Development Programme, Sofia, Bulgaria, 1996.

UNDP *Capacity 21*, 1997-1999 project documentation. Project of the Government of Bulgaria BUL/96/G8fA/5G/99. *Capacity building for sustainable development at national and community levels*, Phase 1, 1997-1999.

UNDP *Capacity 21*, 1998. Challenges to sustainable development in Bulgaria. Summary report. Marinov, V., Garnizov, V. And Popov, S. , eds. Sofia, Bulgaria.

UNDP *Capacity 21 Report*, 2001. United Nations Development Program “Capacity 21” *Challenges to sustainable development in Bulgaria*, Sofia, Bulgaria.

UNDP *Millennium Development Goals*. 2006. Project financed by the European Commission and implemented by the United Nations Development Programme (UNDP).

UNEP. *Tourism. Sustainable tourism*. Available from: <http://www.uneptie.org/pc/tourism/sust-tourism/home.htm>. [Accessed 05 December 2007].

Van Maanen, J., 1995. An end to innocence. The ethnography of ethnography. *In: van Maanen, J. ed. Representation in ethnography*. London. SAGE, 1-35.

Vateva, D., 2010. The first case - a company returns forest acquired by land swap. *DNEVNIK* 3 October Available from: http://www.dnevnik.bg/bulgaria/2010/10/03/970862_purva_obratna_sdelka_firma_vrushta_zamena_gora/. [Accessed 5 December 2010]

Velcheva, S., 2007. *The Concrete Beach*. *DNEVNIK EVROPA*, 14 December. Available from: http://www.dnevnik.bg/evropa/novini_ot_es/2007/12/13/407132_beton_biich/. [Accessed 5 March 2008].

Veselinova, L., 2007. The national ecotourism strategy of Bulgaria. *In: Policies, strategies and tools for the sustainable development of tourism*. Madrid, Spain: World Tourism organisation.

Vodenska M., 2004. Higher geography education in Bulgaria: problems and perspectives. *International Research in Geographical and Environmental Education*. Vol.13, No.1, 73-78. Available from: <http://www.international.ac.uk/resources/Higher%20Geography%20Education%20in%20Bulgaria%20-%20Problems%20and%20Perspectives.pdf>. [Accessed 23 May 2008].

Vodenska M., *Tourism and society*. Sofia, 2006 [Bulgarian]

Wagstyl, S., 2008. Crime and corruption: Brussels shines light on shady borders. *Financial Times FT.com*, 8 July. Available from: <http://www.ft.com/cms/s/0/4e3ae776-4a45-11dd-891a-000077b07658.html#ixzz1D6j4Vs3w>. [Accessed 5 November 2010].

Watt, N., 2006. Corruption still dogs Bulgaria on eve of ruling on membership. *The Guardian*, 15 May. Accessible from: <http://www.guardian.co.uk/world/2006/may/15/eu.politics>. [Accessed 15 May 2008].

Weaver, D., 2006. *Sustainable tourism*. Elsevier Ltd.

Wheeller B., 1993. Sustaining the ego. *Journal of Sustainable Tourism*, 1, 121-129.

Wheeller B., 2004. The truth? The hole truth. Everything but the truth. Tourism knowledge: a septic sceptic's perspective. *Current issues in tourism*, Vol.7 (6). 467-477.

Wheeller B., 2005. Ecotourism/Egotourism and development. *In: Hall C.M. and Boyd S. Nature-based tourism in peripheral areas: development or disaster?* Channel View Publications Clevedon-Buffalo-Toronto, 263-272.

Wheeller, B., 2007. Sustainable mass tourism: more smudge than nudge. *The Canard continues. Tourism Recreation Research*. Vol. 32(3), 73-75.

Williams, A.M., 2004. Contemporary themes and challenges in tourism research. *In: Lew, A., Hall, M. and Williams, A.M. (eds). A companion to tourism*. Oxford: Blackwells, 611-618.

Williams A.M. and Baláž, V., 2002. The Czech and Slovak Republics: conceptual issues in the economic analysis of tourism in transition. *Tourism Management*. Vol. 23, 37-45.

Woodruff, C., 2004. Establishing confidence in business partners@ courts, networks, and relationships as pillars of support. *In: Kornai, J., Rothstein, B. And Rose-Ackerman S., eds. Creating social trust in post-socialist transition*. New York: Palgrave Macmillan, 111-125.

WTO, 2004. Conceptual definition, Sustainable Development of Tourism. *World Tourism Organization*. Available from: <http://www.unwto.org/sdt/mission/en/mission.php>. [Accessed 5 June 2009].

Xiao, H. And Smith, S., 2006. The making of tourism research: Insights from a social sciences journal. *Annals of Tourism Research*. Vol. 33, (2), 490-507.

Yin, R.K., 2003. *Case study research: design and methods*. Applied Social Research Method Series Vol.5. Third edition. SAGE Publications.

Yow, V. R., 1994. *Recording oral history: a practical guide for social scientists*. SAGE Publications.

ZONA.BG, 2010. Former Deputy Minister of Economy Nina Radeva investigated for corruption . *ZONA.BG*, 18 June. Available from: http://zonabg.info/Bulgaria.20_0/4493.news/. [Accessed 18 June 2010] (in Bulgarian)

APPENDICES

APPENDIX 1

Arrivals of foreign citizens in Bulgaria by purpose of visit, 1990-2009

Years	Total arrivals		Tourism and leisure		VFR		Business		Others		Tourism arrivals	Transit	
	Numbers	%	Numbers	%	Numbers	%	Numbers	%	Numbers	%	%	Numbers	%
1989	n/a	n/a	n/a	n/a	n/a	0.0%	n/a	0.0%	n/a	0.0%	0.0%	n/a	0.0%
1990	10,329,537	100%	2,161,403	20.9%	988,724	9.6%	776,529	7.5%	1,294,504	12.5%	50.5%	5,108,377	49.5%
1991	6,818,449	100%	1,265,410	18.6%	349,812	5.1%	340,060	5.0%	533,510	7.8%	36.5%	4,329,657	63.5%
1992	6,123,844	100%	872,107	14.2%	87,765	1.4%	135,911	2.2%	226,311	3.7%	21.6%	4,801,750	78.4%
1993	8,302,472	100%	2,334,763	28.1%	109,809	1.3%	177,806	2.1%	559,776	6.7%	38.3%	5,120,318	61.7%
1994	10,068,181	100%	2,622,882	26.1%	36,902	0.4%	179,309	1.8%	1,056,651	10.5%	38.7%	6,172,437	61.3%
1995	8,004,584	100%	2,721,026	34.0%	59,338	0.7%	191,307	2.4%	494,200	6.2%	43.4%	4,538,713	56.7%
1996	n/a	n/a	n/a	n/a	n/a	0.0%	n/a	0.0%	n/a	0.0%	0.0%	n/a	0.0%
1997	7,543,185	100%	2,335,626	31.0%	58,101	0.8%	188,560	2.5%	397,950	5.3%	39.5%	4,562,948	60.5%
1998	5,239,691	100%	1,973,437	37.7%	32,516	0.6%	132,482	2.5%	528,537	10.1%	50.9%	2,572,719	49.1%
1999	5,056,250	100%	2,084,668	41.2%	34,041	0.7%	170,089	3.4%	201,917	4.0%	49.3%	2,565,535	50.7%
2000	4,922,118	100%	2,354,051	47.8%	35,487	0.7%	177,933	3.6%	217,608	4.4%	56.6%	2,137,039	43.4%
2001	5,103,797	100%	2,755,717	54.3%	25,571	0.5%	183,988	3.5%	220,408	4.2%	62.5%	1,918,113	37.5%
2002	5,562,917	100%	2,992,590	53.8%	23,998	0.4%	180,138	3.2%	236,550	4.3%	61.7%	2,129,641	38.3%
2003	6,240,932	100%	3,531,567	56.6%	28,656	0.5%	215,760	3.5%	271,880	4.4%	65.0%	2,193,069	35.0%
2004	6,981,597	100%	4,010,326	57.5%	40,467	0.6%	271,857	3.8%	307,204	4.4%	66.3%	2,351,743	33.7%
2005	7,282,455	100%	4,090,421	56.2%	48,898	0.6%	340,039	4.6%	357,792	5.0%	66.4%	2,445,305	33.6%
2006	7,499,117	100%	4,364,557	58.2%	62,927	0.8%	331,845	4.4%	398,788	5.4%	68.8%	2,341,000	31.2%
2007	7,725,747	100%	4,218,713	54.6%	75,162	1.0%	375,613	4.9%	481,795	6.2%	66.7%	2,574,464	33.3%
2008	8,532,972	100%	4,765,700	55.9%	98,478	1.2%	418,374	4.9%	497,276	5.8%	67.8%	2,753,144	32.2%
2009	7,872,805	100%	3,809,561	48.4%	151,508	1.9%	1,075,300	13.7%	702,504	8.9%	72.9%	2,133,932	27.1%

Source: The author, based on data from Rakadjiska (2007), Bulgarian State Agency statistical data, NSI 2006 and 2007

APPENDIX 2

Profiles of selected leading tourist companies in the destination studied:

Albena AD

The Euromonitor International Report on Bulgaria (2006) distinguished three leading tourist companies: Albena AD, Golden Sands AD and Sunny Beach AD. Two of them, Albena AD and Golden Sands AD, are located in the destination studied. The information below is based on the Euromonitor International Report on Bulgaria (2006), information from the company and the in-depth interviews.

ALBENA AD

(AD stands for Joint Stock Company – JSCO. Both AD and JSCO are used alternatively in the literature to refer to the same type of company)

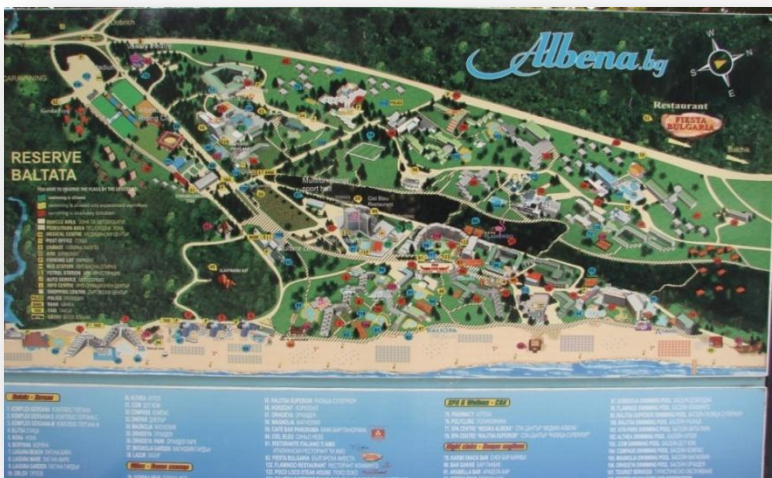
Company background: According to Euromonitor International (2006) Albena AD is the leading tourism player in Bulgaria. It is the largest private Tourist Shareholding Company under the Bulgarian Law registered on the Bulgarian Stock Exchange. Albena AD is a successor of the restructured state-owned company Albena established in late 1960s. In 1997 Albena resort was completely privatised as a whole unit. It is owned by Albena Holding AD (former Albena 2000 Management and Employee Buy-Out company) and Albena Invest Holding AD. Both companies were established by the management of Albena AD in the 1990s.

Albena AD owns and manages a multitude of companies united under name of Albena Group (see Fig 1 below for Albena's corporate structure). In 2002, the company won the prize for 'Best Corporate Management' in Bulgaria. The main activities of the other companies are in the field of tourism – hotels, tour operators, transport. The remaining industrial and agrarian companies support the main business branch (see Fig. 2). The strategy of the company aims at diversification of the tourist product and improving the quality, through upgrading, new construction, staff training and implementing the principles of total quality control (see Fig. 3 below).

The group's best assets are concentrated in the resorts of Albena (north coast), Primorsko (south coast) and white Lagoon (north coast). The company also has aviation projects and owns an airport. It owns the Des Masques hotel in the Swiss Alps. It is the only resort company in Bulgaria that owns the entire resort infrastructure, and offers the whole range of tourist services (accommodation, catering, transport, retail, entertainment, sport, trips). One of its subsidiary company, Albena Tour AD, is the largest company in Bulgarian travel retail.

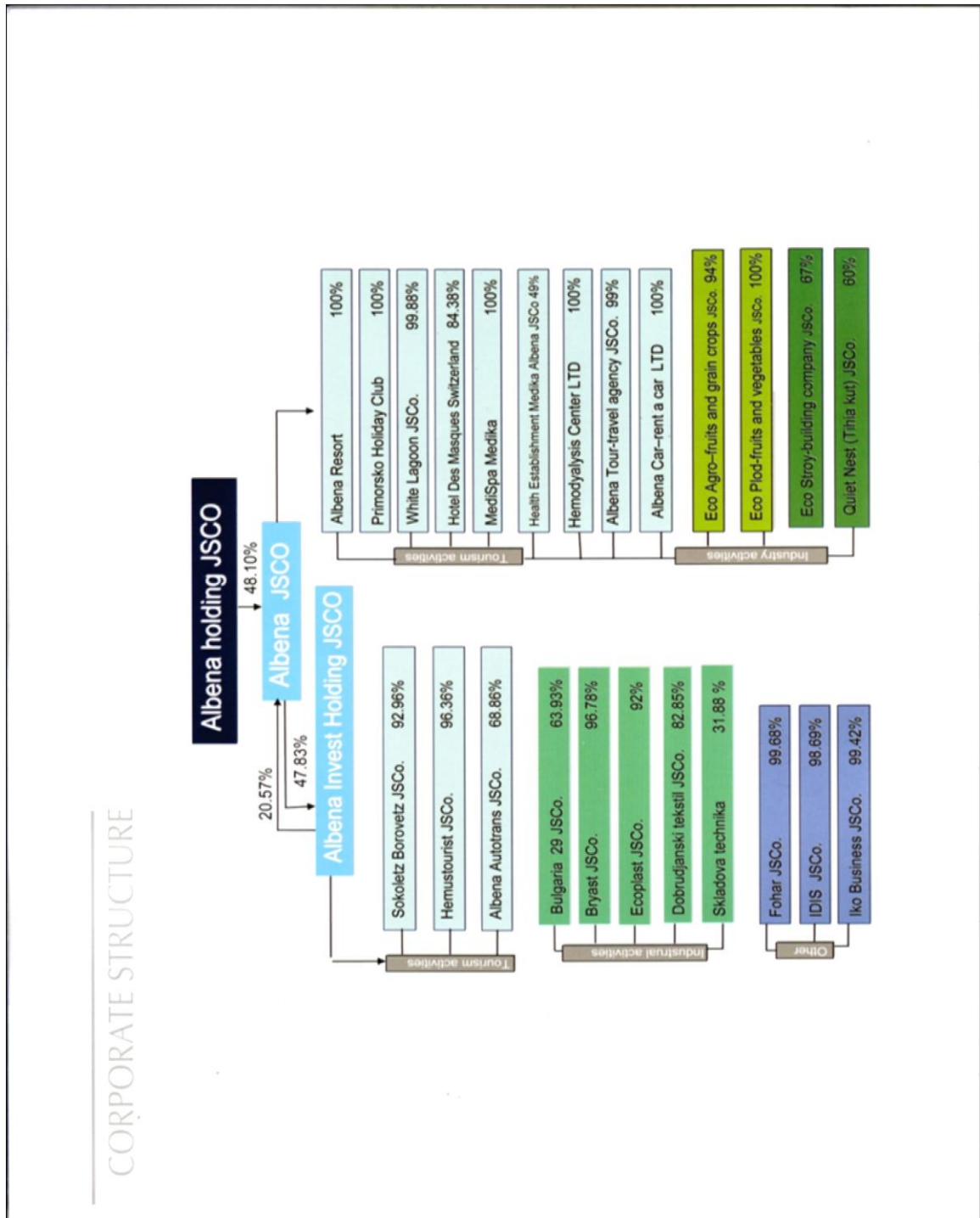


Ecology: Albena AD has a policy for protecting the environment. The cleanness of the major nature parameters according to EU standards are examined regularly. This is the only Bulgarian resort that has established own climate station, equipped for all year round observations on the duration of the sun shine, biological effectiveness of ultra-violet factors (measured with SOLAR-UV-V-iometer), air temperature and humidity, type and quality of rains,



direction and speed of the wind, sea water temperature. The resort borders the 'Baltata' nature reserve, situated at the valley of the Batovska river with a territory of 183, 2 hectare.

Figure 1 Corporate structure of Albena Group (Both AD and JSCO are used alternatively in the literature to refer to a Joint Stock Company)



Tourism development in transition economies: an evaluation of the development of tourism at a Black Sea coastal destination during political and socio-economic transition

Figure 2. Albena Group Subsidiaries

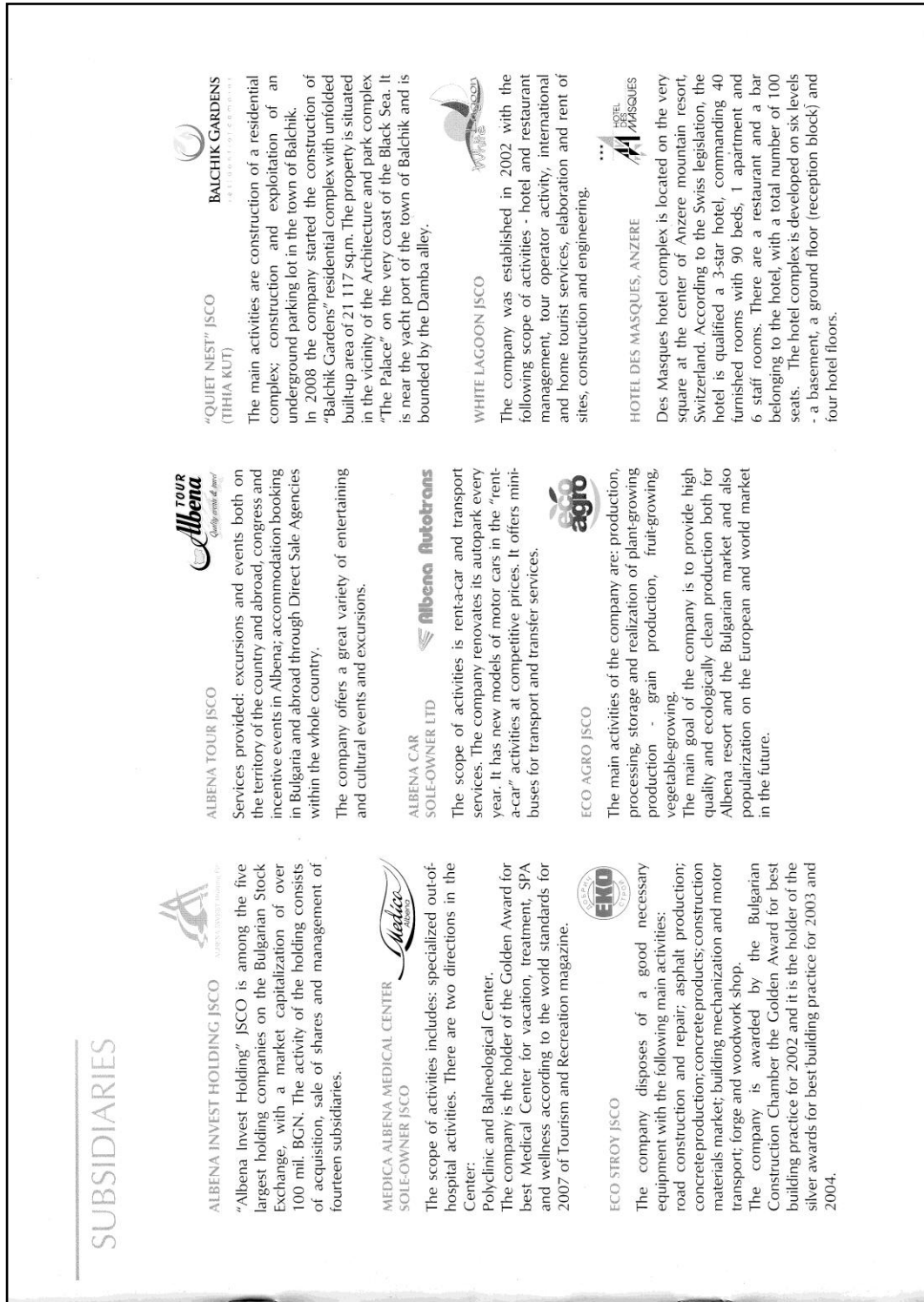


Figure 3. Corporate strategy of Albena AD - Albena resort

COMPANY STRATEGY

- The strategy of "Albena" JSCO is to strengthen its position as a sea resort of high standards of service at the level of four-star hotels, and also of intensive development of the activities pursuing the tourism, carried out through the subsidiaries of the company.
- The diversification of the tourist product is a substantial factor for the attraction of new clients and expansion of the market share, through development of:
 - Excellent conditions for professional and amateur sport events;
 - Balneo, cosmetics and health tourism;
 - Congress, business and incentive trips;
- Albena is applying an intensive investment policy, and namely:
- Renovation of the necessary equipment in the tourist sector with the purpose of increasing the quality of the products;
- Construction of holiday resorts on the first line of the Bulgarian Black Sea coast;
- Development of agriculture;
- The consistent policy on training and development of the human resources of the company, is a guarantee for success;
- Our aim is consistent introduction and applying the principles of total quality control.



APPENDIX 3

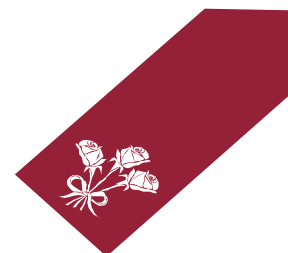
Example of Corporate and Social Responsibility Policy - private business, the case of Albena AD

Source: Bulgarian Business Leaders Forum . Availbale from:

http://www.bblf.bg/csr.php?sub=dir&show=1&company_id=47 [Accessed 5 June 2008]

BULGARIAN BUSINESS LEADERS FORUM

In Association with The Prince of Wales International Business Leaders Forum



CSR PROFILE BOOK

Questionnaire

Company Name	Albena AD
CEO	Krasimir Stanev
Contact Person	Denitsa Todorova
Position	HR Specialist
PR Director	Marita Todorova
HR Director	Daniela Chikova
Telephone	0579/62897, 048/904236
Fax	0579/62229
E-mail	Development@albena.bg
Website	www.albena.bg

Corporate and Social Responsibility: Vision and Heritage

Albena AD's concept of socially responsible business practices is realized through multiple projects and initiatives, e.g. the Company's projects in the sphere of Human Resources – organisation of qualification improving trainings and seminars for the employees, scholarships for students from different universities, methods to encourage a healthy way of living of the employees, etc.

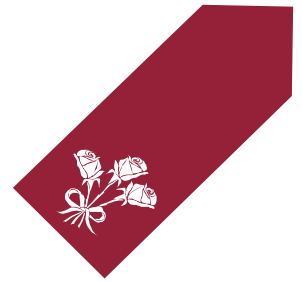
The Company has also been implementing environment protection projects, such as the one for the management of the "Baltata" national preserve.

Benefits for Community

Albena AD's efforts to support the community aim to improve people's living standard and provide opportunities for acquiring a higher level of professional qualification, or obtain

BULGARIAN BUSINESS LEADERS FORUM

In Association with The Prince of Wales International Business Leaders Forum



expertise in a completely different sphere of activity. Currently, Albena AD has been running a total of two projects.

The first one is financed by PHARE and is called ‘Acquiring professional experience and enhancing the potential for employment of jobless young people through internships in the sphere of restaurant business’. The main objective of the project is to help 100 unemployed young people to get professional experience by working as interns in ten of Albena’s restaurants.

The second project is carried out in cooperation with the Ministry of Labour and Social Works and involves the organisation of a qualification cooking course for 21 unemployed. After the training is over, everyone who has successfully passed the final examination gets appointed as a chef in Albena’s restaurant system.

On an annual basis, Albena AD organises the ‘Albena National Cultural Celebrations’ initiative with the participation of a number of famous writers, artists and poets.

In addition to that, the Company also finances the repair works on a number of kindergartens in the region, sponsors the Tourism department at the University for National and World Economy in Sofia and the University of Economics in Varna, donates books and equipment to the Professional School of Tourism in Dobrich, provides financial support to the Obrochishte Football Club and has aided the reconstruction of the church in the Teketo locality near the village of Obrochishte.

Protecting the Environment

Albena AD annually invests a lot of funds in preserving and improving the environment both in the Albena Complex and in the region. An example of the Company’s efforts in that sphere is the initiative for financing and developing a plan for the management of the ‘Baltata’ national preserve and its buffer zone. The project is currently under public discussion and is about to be realized in the near future.

A major prerequisite for the development of the above-mentioned plan is state-of-the-art management in the *supported preserve and buffer zone* category that needs to be aligned to the international requirements for specialized preservation, balanced access and exhibition of the protected territory, as well as a sustainable usage of its buffer zone.

The objective is to use the Plan as a management tool for the natural preserve and its buffer zone, observing the requirements and goals of nature protection, providing support for regional development, respecting the balance of interests and the coordination of the institutions and the other interested owners that the Plan concerns.

Albena AD has at its disposal its own weather service (the only one on the Bulgarian Black Sea coast) that watches closely for the ecological condition of the beach, the air and the sea water.

BULGARIAN BUSINESS LEADERS FORUM

In Association with The Prince of Wales International Business Leaders Forum



Since 1996, the Complex has been a member of the 'Blue Flag' programme for environmental management, created at the initiative of the World Tourism Council.

A hygiene control system developed under HACCP standards is currently being implemented in all restaurants on the Complex's territory.

Caring for Employees

The Employees of Albena AD have at their disposal a kindergarten located in the village of Obrochishte which is available to them for free.

During the summer season, part of the Albena Resort staff is provided with a free vacation in a resting house maintained entirely by Albena AD.

Every year, the Albena Foundation supports people in need or provides scholarships to talented children.

Trainings in Bulgaria and abroad are available to all of the Company's employees. The staff is also provided with company phones and cars.

At the end of season, every employee has the opportunity to evaluate their work place and provide the Albena AD management with important feedback on employee satisfaction.

Albena AD's employees make use of a number of social benefits. During the winter season, the Company organises trainings for its staff to the purpose of improving their qualification and the quality of the services provided.

Apart from the foreign language and professional courses, the Company also invests in international trainings for mid-level management.

Investing in Young People and Education

Every year, Albena AD grants scholarships to students from different universities in Bulgaria. The cooperation with the 'Albena' International College, the College of Tourism and the University of Economics in Varna has turned into a tradition. Every season, Albena AD provides internships to the students from the professional schools of tourism in Varna and Dobrich.

Incorporating Business Ethics

Albena AD has a long-time experience in applying the rules of business ethics. All partners of the Company can confirm that Albena AD is one of the most reliable and ethical partners in tourism business in Bulgaria. Proof of that is the Investors Association award for best corporate management that Albena AD received for the first time in 2002.

APPENDIX 4

Profiles of selected leading tourist companies in the destination studied – Golden Sands AD

The Euromonitor International Report on Bulgaria (2006) distinguished three leading tourist companies: Albena AD, Golden Sands AD and Sunny Beach AD. Two of them, Albena AD and Golden Sands AD, are located in the destination studied. The information below is based on the Euromonitor International Report on Bulgaria (2006), information from the company and the in-depth interviews.

GOLDEN SANDS AD

Company background:

Golden Sands AD was established in 1943. Between 1997 and 2000 the resort was privatised hotel by hotel. The remaining assets of the former state company were privatised in 2000 by a consortium including Golden AD (a management-and-employee company), C&N Touristik AG¹ and Agrima, which bought 76% of the capital. The property of the privatised company includes six hotels, four holiday villages, four swimming pools, over 120 restaurants, shops and shopping centres, sports facilities, additional service buildings, and the whole infrastructure of the resort (see Fig. 4 below). Golden Sands AD owns approximately 15% of the beds (over 12,200) in the coastal resort.

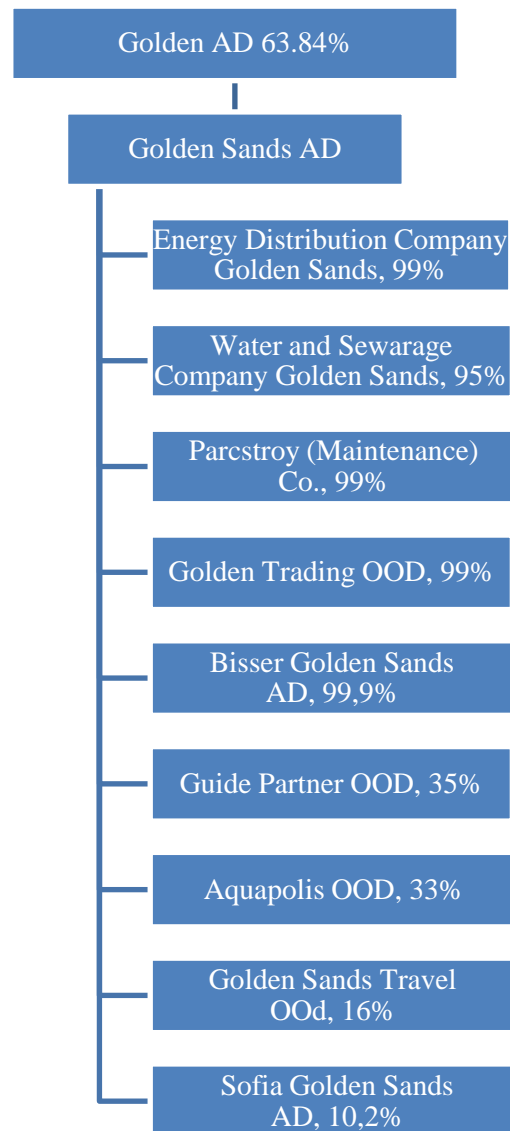
Golden Sands AD has five subsidiary companies that take care of the energy management, water supply and sewerage, licensed to operate until 2031. It also owns the concession on the beach strip.

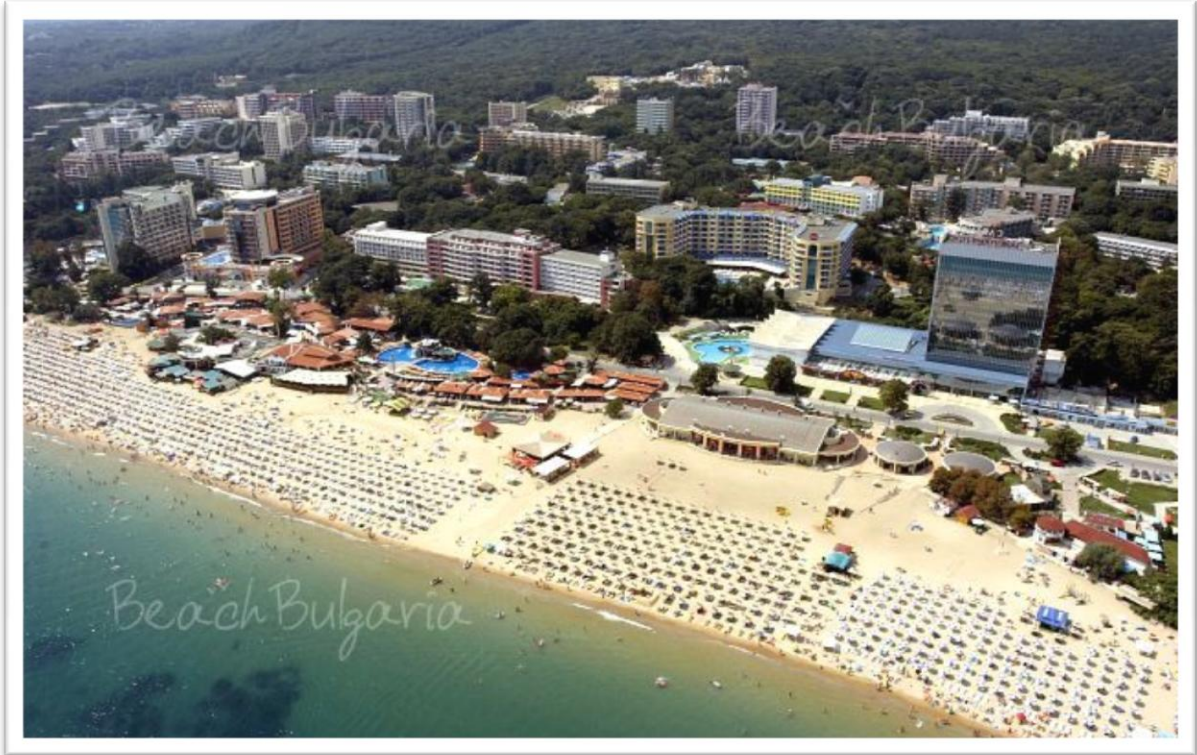
The development strategy of Golden Sands AD aims at investing in rebuilding and constructing new hotels in the resort. Each year, Golden Sands, as owner of the infrastructure, invests over 1 million euro in improving and modernising the infrastructure. In 2003, Aquapolis, the first water park of its kind in the country, was opened on an area of 40,000 square metres in the buffer zone of the Golden Sands nature part. In 2004, a 15 million euro investment, the deluxe 5-star hotel, Admiral was built. In 2005, Zlatni Piassaci continued its superior performance in luxury, high-quality hotel construction. The new up-to-date apartment hotels – Igljika I and

¹ C&N Touristik AG is a joint company between Deutsche Lufthansa AG and Karstadt Quelle AG, established with the purpose of covering the entire organizational, aviation, sale, hotel and agent services' spectrum.

Iglika II – were completed in 2005. A project was launched in 2004 to enhance the appeal of the promenade by making it larger, replacing asphalt with new modern pavement, adding decorative greenery and night illumination. Golden Sands AD has a leadership position in the latest development of Golden Sands Resort. The serious investments made in the five years of the review period were a major contribution to the fast developing tourist product of the resort.

Fig. 4 Golden Sands Group (Joint Stock Company) Corporate structure (as of 2010)





Golden Sands resort, Bulgaria

Top – aerial view, Source: www.beachbulgaria.com. Bottom- beach promenade, author's photo 2009)

APPENDIX 5

BlackSeaRama Golf & Villas –18 Gary Player signature holes

The resort is part of the golf signature destination, Bulgaria. The other two golf resorts are the Lighthouse – 18 Ian Woosnam signature holes (see in the next appendix) and Thracian Cliffs – 18 Gary Player signature holes (not on the territory of the destination studied therefore information is not provided)

The BlackSeaRama Golf & Villas Resort was the first championship signature golf course in Bulgaria – 18 holes, par 72, measuring a length of 6648 meters. It opened in May 2008. This golf course was also the first of two projects here designed by the legendary golf player and designer Gary Player. The BlackSeaRama Golf & Villas Resort was selected as the first-place winner in the final judging for the "International Courses" category of the 2009 *Development of the Year Awards* by Golf Inc. magazine's jury, USA, Florida. The courses and the developments are chosen on the basis of their outstanding and innovative programs and practices that protect and preserve the environment. The Green Awards are designed to recognize courses and companies around the globe that have taken concrete steps to embrace the most innovative, technologically advanced and cost-effective practices for achieving those goals.

BlackSeaRama is a limited company owned by Krassimir Guergov, Kancho Stoychev and Andrei Raichev. Krassimir Guergov is a President of the Bulgarian Golf Association, President of the National Tourism Board, Member of the European Golf Association, and Associate member of the Royal & Ancient Golf Club of St. Andrews.





Sources: <http://www.pgae.com/pages/view/blacksearama;>
[http://www.blacksearama.com/cgi-bin/e-cms/vis/vis.pl?s=001&p=0139&g=;](http://www.blacksearama.com/cgi-bin/e-cms/vis/vis.pl?s=001&p=0139&g=)

APPENDIX 6

Lighthouse Golf and Spa Resort, Balchik Municipality

Lighthouse Golf and Spa Resort is part of Cape Kaliakra, ‘Signature Golf Coast’ which comprises three five star golf resorts and three signature golf courses situated side by side on the Black Sea coast. It has a marina, private airfield and five star hotels.

The Lighthouse project started in its planning stage in 2004 with the help of European Golf Design and Ian Woosnam. In 2006, Ian Woosnam broke the ground on the development of the project. The resort was first opened to the public in September 2008. The major hotel and lighthouse are due for completion in 2011.

The company claims that the latest technology has been used in the construction of the golf course, both for the design of watering and drainage systems in order to optimize water consumption and recycling, and in the use of the newest breeds of grass taken from the latest agricultural research.

This is part of the company policy to combine sporting excellence with the highest levels of environmental conservation.

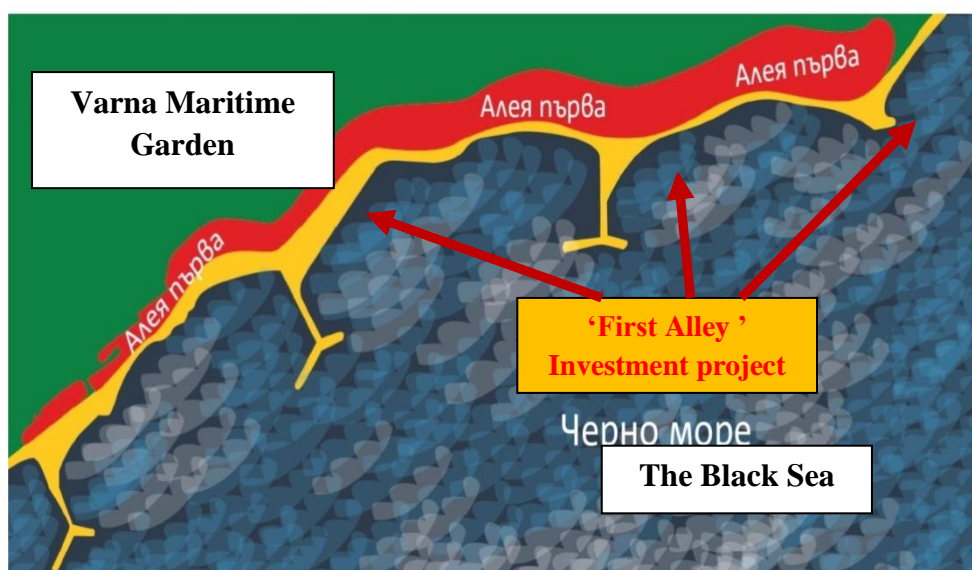


Source: www.worldgolf.com [Accessed 10 October 2010]

APPENDIX 7

St. Constantine and Elena Holding Company: 'First Alley' Investment project for development of Varna city coastal area.

Source: Based on information from www.firstalley.com [Accessed 10 October 2010]



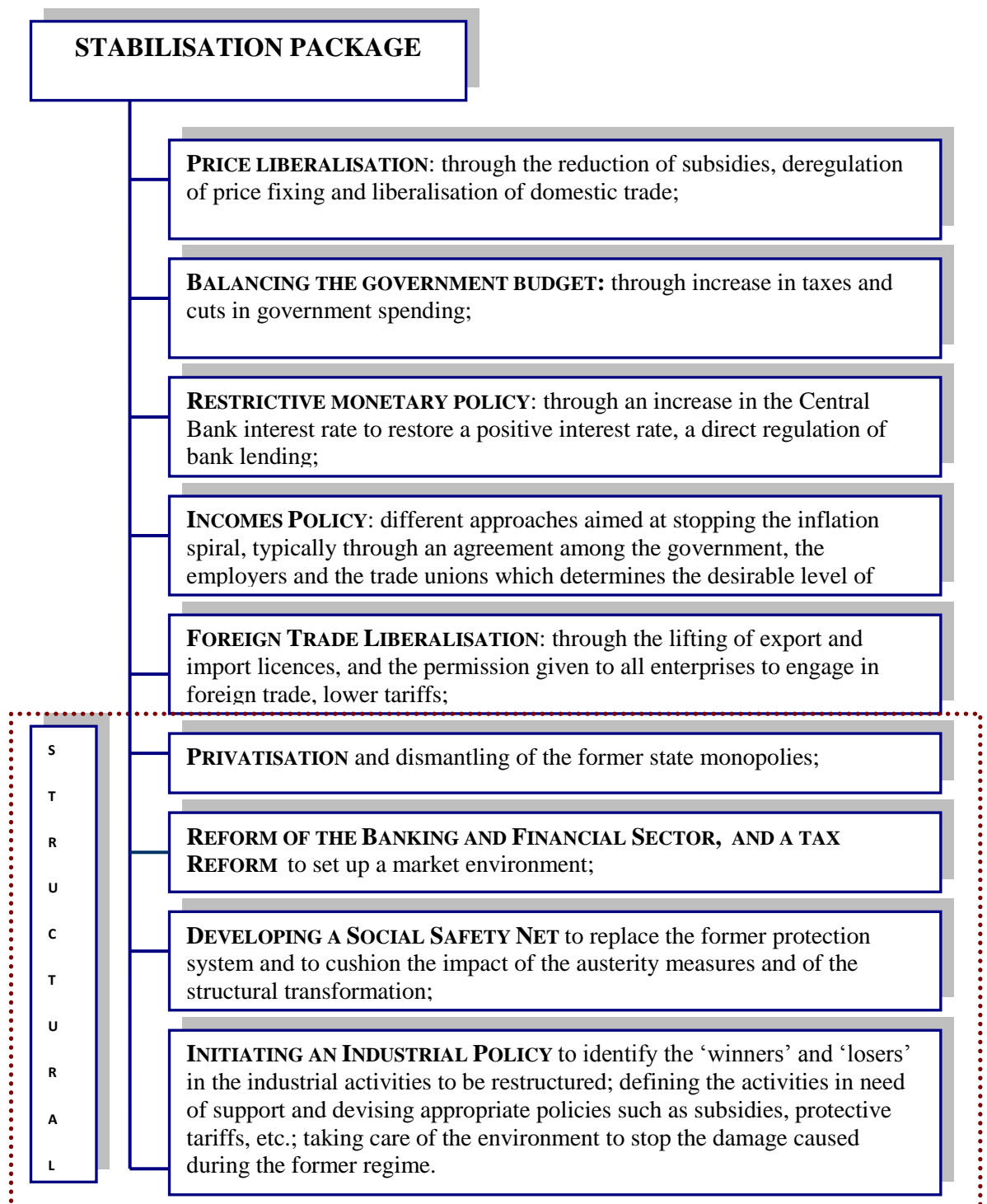
The project in numbers:

- 122 dka total territory purchased by the Holding company (marked in red colour on the map);
- 3.8 km long is the acquired coastal strip (marked in yellow colour on the map);
- 11.7 mln lv. (approximately 5,8 mln euro), VAT not included, is the price the holding company paid for the land;
- 73.1 mln lv. (approximately 36,5 mln. Euro) investment

APPENDIX 8

Typical stabilisation package in a transition economy

Source: Derived from Lavigne 1995, p.114-115



APPENDIX 9

The evolution of the concept of sustainable development: Key stages and associated international milestones

Landmarks in the pathway to sustainable tourism development

Date	CONSERVATION VISION	Date	COMMUNITY VISION	Date	ECONOMIC THEORY
Thousand years BC	Hunting and recreational areas in Mesopotamia, later taken by Alexander the Great and other Europeans to Greece and the Mediterranean.	1976	Doxeys's four-stage irritation index of euphoria through to antagonism.	Mid 1800s	The focus of economics rest upon industrialisation, economic growth and prosperity. Economics investigate the production (particularly agriculture) and the factors that affect the yield, such as the environment: Malthus (1798), von Thunen (1826) and Ricardo (1817).
19th Century	Marsh's (1864) <i>Man and Nature; or Physical Geography as Modified by Human Action</i> , the theses being when nature is left alone it is in harmony and humankind impoverishes nature.	1980	Britton suggests that the development of the core maintains dependency and underdevelopment at the periphery and as a result, host communities do not benefit as expected.	Post 1950s and 1960s	Models based on developmental economics, such as those of Rostow (1960) and Myrdal (1959) are designed to return the industrialised world to pre-war industrial levels (Bramwell and Lane, 1993) . These are based upon the assumption that humans could overcome poverty and overcrowding through technology and intelligence (Boyden, 1968).
19th century	Creation of national parks: Yellowstone National Park,	1980	Butler's Destination Life Cycle Model.		

	USA, 1872; Royal Society for the Protection of Birds, UK, 1989, National Trust, UK, 1984 among others.				Kenneth Boulding (1966) proposes an integrated system of the environment and economics. Environmental economics grow from the concerns of society about deteriorating environmental quality and quantity and as a reaction to the focus of post-war limitless economic growth and expansion.
1940s & 1950s	Establishment of the World Conservation Union.	1983	Schlenke and Stewing suggest that tourism host communities would benefit positively from tourism as it would advance development in their society.		
1961	The World Wide Fund for Nature	1989	Dogan's five stages of Strategies for Adjustment to Tourism by residents (resistance, retreatism, boundary maintenance, revitalisation and adoption)	1980s	Ecological economics is an early step towards integrating different disciplines and theories on sustainable development which range from anthropocentric to biocentrism or ecocentrism (Mazzotta & Kline, 1995). It is as an attempt to bring environmental policy and management and the well-being of future generations together (Constanza et al., 1997). Employs pluralistic methodology and theoretical basis ranging from neoclassical economics, spatial economics, systems ecology, human ecology, socio-biology and ecological engineering.
1960s	Publications promoting environmental protection: Hardin's (1968) <i>Tragedy of the Commons</i> and Carsons' (1962) <i>Silent Spring</i> .	1980s	Arguments for involvement of residents in tourism.		
1970s and 1980s	The number of national environmental agencies grows from eight in 1972 to 113 in 1986	1990s	Residents are consecutively seen as part of the 'hospitality atmosphere' and one of the resources for sustaining the product and as partners (Simmons		

			1994; Bramwell and Lane 2000, among others)		
SUSTAINABLE DEVELOPMENT					
1972	The Club of Rome's report <i>The Limits to Growth</i> challenges the traditional assumption that the natural environment provides an unlimited resource base for population and economic growth and could cope with the increasing amounts of waste and pollution caused by industrial society.				
1972	United Nations Conference on the Human Environment, Stockholm: the conservation and community vision and dissatisfaction with developmental economics converge.				
1973	<i>Ecological Principles for Economic Development</i> (Dasman et al., 1973)				
1980	<i>World Conservation Strategy</i> (IUCN) endorsed by various countries				
1987	World Commission on Environment and Development, <i>Our Common Future</i> (The Bruntland Report)				
1992	United Nations Conference on Environment and Development, Rio de Janeiro (Earth Summit)				
2000	United Nations Millennium Assessment				
2002	World Summit on Sustainable Development in Johannesburg: Agenda 21				
2005	Millennium Ecosystem Assessment				

SUSTAINABLE TOURISM DEVELOPMENT	
1980	Manila Declaration recognises the need for an ‘orderly growth’ of tourism to avoid the risk of deteriorating tourism resources, WTO
1989	Hague declaration introduces the terms sustainable development and sustainable tourism and supports integrated planning, WTO
1996	Agenda 21 for the Travel and Tourism Industry, WTO
1999	Seventh Session of the UN Commission on Sustainable Development focuses on sustainable tourism
2003	Articulation of a formal sustainable tourism policy for the European Union, EC
2004	EC establishes the Tourism Sustainability Group
2007	<i>Action for More Sustainable European Tourism</i> , Tourism Sustainability Group, EC Agenda for Sustainable Tourism Development, EU

Source: Derived from Hardy, Beeton and Pearson 2002, Fletcher 2005, Weaver 2006, Hall 2008.

APPENDIX 10

Public sector policy and planning framework, 1989-2009, aiming at implementing the principles of sustainable development and sustainable tourism development, presented in chronological order by year of enforcement. National, regional (district) and local (municipality) level in the destination studied

NB. Please see the notes below ²

Policy and Planning Framework		Prior to November 1989	1989-2001		2002-2009
			1989-1997	1998-2001	
NATIONAL LEVEL	Legislation and Regulation Framework	<ul style="list-style-type: none"> • Protection of Waters and Soil Against Pollution Act (1963 - 1996) • Nature Protection Act, 1967+; • Territorial, Urban and Rural Development Act (1973-2000) 	<ul style="list-style-type: none"> • Ordinance no. 35 for the development of the tourism as priority sector of the national economy (1990); • Constitution (1991+); • Commercial Act (1991+); • Environmental Protection Act (1991-2000) introduces 	<ul style="list-style-type: none"> • Concessions Act (1995-2006) (incl. The use of coastal beaches); • Tourism Act (1998-2002); • Ordinance for categorisation of tourist accommodation and 	<ul style="list-style-type: none"> • Privatisation and Post-Privatisation Control Act (2002+); • Environment Protection Act (2002+); • Tourism Act (2002+); • Ordinance for

² (1) Tourism specific policies, regulation and planning documents are highlighted. (2) Legislation and regulation acts are cited with the date they are enforced and the date they are repealed (e.g. 1963-1996). Where acts are still in force they are marked as, e.g. 1973+. (3) Some pre-1989 acts were amended in the 1989-2001, therefore these are marked with (A), e.g. (A) Territorial, Urban and Rural Development Act (1973-2001).

<p>NATIONAL LEVEL</p>		<ul style="list-style-type: none"> • Ordinance for the use of resort resources, resort areas and resorts (1987 +) • Regulation 4 for the buffer zones around natural reserves (1988); • Regulation 8 for the rules and norms for ensuring the quality of coastal sea water (1987); • Order No. 2 on the secured sanitary zones around the water sources (1989); • Decree 56 on Economic Activity (1989) 	<p>Environmental Impact Assessment;</p> <ul style="list-style-type: none"> • Local Self-Government and Local Administration Act (1991 +); • Privatisation act (1992-2002); • Restitution of Nationalised Real Property Act (1992); • Law for Attraction And Protection Of Foreign Investments (1992-2004) • Ordinance 3/1993 for the development of the Black Sea coast and a draft of the Black Sea coast Bill (1993) • (A)Protection of Waters and Soil Against Pollution Act (1963) amended in 1991, 1992, 1996; • Territorial, Urban and Rural Development Act (1973-2001) • Ordinance for the use of resort resources, resort areas and 	<p>catering services (1998-2004);</p> <ul style="list-style-type: none"> • Ordinance for licensing of tour operators and travel agents (1998-2003); • (A) Ordinance for the use of resort resources, resort areas and resorts (1987+); • Measures against Money Laundering Act (1998); • The Protected Areas Act (1998); • Regulation No. 4/1998 on environmental impact assessment (EIA); • Regulation 1 on the conditions and procedures for approval of temporary standards for harmful substances emitted in the ambient air from immobile 	<p>categorisation of tourist accommodation and catering services (2004+);</p> <ul style="list-style-type: none"> • Ordinance for licensing of tour operator and travel agents (1998); • Ordinance for collecting taxes under the Tourism Act (2002+); • Ordinance for the compulsory travel insurance (2003+); • (A) Ordinance for the use of resort resources, resort areas and resorts (2004+); • Regulation 7 on the terms and conditions for the regulation of some territories and spatial zones, (2003) (<i>Chapter 6 Spatial development of territories for</i>
------------------------------	--	--	--	--	---

<p>NATIONAL LEVEL</p>			<p>resorts (1987-2004),</p> <ul style="list-style-type: none"> • Restitution of Forests Act (1997); • Order No. 2 of 1995 on the Rules and Regulations for the Territory Planning of the Black Sea coast; • Regulation 1 for land protection and rehabilitations (1994) • Regulation no.3/1995 for the Management of the Black Sea Coast • Administrative and Territorial Division Act (1995); • The Clean Air Act (1996) and Regulation on Ambient Air Quality Evaluation and Management; • The Forestry Act (1997); • Municipal Budget Act (1997); • Local Taxes and Fees; Act 	<p>operational sites (1998);</p> <ul style="list-style-type: none"> • Regulation 2 on the admissible emission levels for emissions of harmful substances in the ambient air from sites with immobile (1998+); • Regional Development Act (1999-2004); • Energy and Energy Efficiency Act (1999-2003); • Water Act (1999); • Small & Medium Size Enterprises Act (1999); • Access to Public Information Act (2000); • Law on Maritime spaces, inland waterways and ports (2000); • Law on Non-Profit Legal entities (2000); • Territorial Development Act 	<p><i>recreation purposes. Chapter 12 – Spatial development of the Black Sea coast, amended in 2005 and 2008);</i></p> <ul style="list-style-type: none"> • Reducing Administrative Regulation and Administrative Control on Commercial Activities (2003+); • Energy and Energy Efficiency Act (2004+); • Regional Development Act (2004-2008); • Encouraging Investment Act (2004);
<p>NATIONAL LEVEL</p>					<ul style="list-style-type: none"> • Ordinance for the categorisation of beaches (2005); • Concessions Act (2006); • Ordinance for the organisation of an integrated system for tourist information (2007);

			(1997)	(2001).	<ul style="list-style-type: none"> • Black Sea Act (2008); • Regional Development Act (2008).
NATIONAL LEVEL	Strategies, Plans, programmes, Concept papers		<ul style="list-style-type: none"> • Horwath Consulting, ‘Tourism Development Strategy for Bulgaria (not approved by the government) (1992); <i>not implemented</i> • National Environmental Strategy and Action Plan. Environmental Impact Assessment becomes mandatory for urban infrastructure plans (1992); • National Strategy for the Conservation of Biodiversity (1992-94); • National Biological Diversity Strategy (1994); • National ICZM Report 	<ul style="list-style-type: none"> • Government Programme <i>Bulgaria 1997-2001</i>; • Draft concept for the statute and management of large tourist resorts in view of accelerated privatisation and the post-privatisation period, <i>Tourism Development programme – Bulgaria: institutional strengthening and enterprise development</i> (1998); <i>not implemented</i> • Middle-term National Investment Programme for Development of Transport Infrastructure 1998 – 2001; • National Programme for the 	<ul style="list-style-type: none"> • Bulgaria’s Country profile, Johannesburg Summit 2002, UN (2002) • National Ecotourism Strategy and Action Plan (2004) • Concept paper on <i>Spatial Development of Tourism</i>. The National Centre for Regional Development (2003); • National Regional Development Strategy of the Republic of Bulgaria for 2005-2015, with Decision of CM 294/21.04.2005 (2005); • National Environmental
NATIONAL LEVEL					

			<p>(1995);</p> <ul style="list-style-type: none"> • Draft Plan for Solid Waste Management in Bulgaria (1995-1996); • Concept paper for a <i>National Tourism Policy</i> (1996); <i>not implemented</i> • <i>Marketing strategy for Bulgarian tourism</i> (BL 93.03.TP, 1996), 1996 (proposed, not implemented); 	<p>Reinforcement of Landslides along the Black Sea Coast, 1999-2003; <i>limited results due to lack of financial sources</i></p> <ul style="list-style-type: none"> • National Climate Change Action Plan (2000), based on Study for Bulgaria of Climate Change Issues, 1993-1996 ; • National Strategy for the Ozone Layer Depleting Substances (2000); • Black Sea Environmental programme (BSEP), 1997-1999; • National Plan for Economic Development, 2000-2006, approved by government in 1999, amended in 2001, new version approved in 2003, based on National EU Accession Strategy, Bulgaria 2001 Programme of the Government, the updated National Programme for the Adoption of the Acquis and the 	<p>Strategy and Action plan, 2005-2014;</p> <ul style="list-style-type: none"> • Strategy for Promotion of Investments in the Republic of Bulgaria, 2005-2010;
<p>NATIONAL LEVEL</p>			<ul style="list-style-type: none"> • Black Sea Environmental Programme, 1997-1999; • Government programme for the Environmental Management and Protection of the Black Sea (1996); • Black Sea Ecological Monitoring (1996); • Development of general 	<ul style="list-style-type: none"> • National Strategy for the development of Bulgarian tourism for 2006-2009 (Product development strategy, Tourism marketing strategy, Tourism quality strategy, institutional strategy); • Report on the progress of Bulgaria towards the Millennium Development Goals (2007); • National Development Plan, 2007-2013; • National Strategic Plan for development of rural regions, 2007-2013; • Operational programme 	

			<p>and urban regional plans of all coastal municipalities and seaside resorts (1996/1997)</p>	<p>Accession Partnership Programme.</p> <p>Legal basis - the Regional Development Act;</p> <ul style="list-style-type: none"> • <i>Approaches to sustainability: from the turbulent 1990s to the sustainable 2000s.</i> Bulgaria's Capacity 21 programme, March 2001, UNDP • Report for <i>The progress of Bulgaria towards the sustainable development in the framework of RIO+10 process</i>, UNDP and Bulgarian government, 2001; • <i>Evaluation of the growth potential of selected Bulgaria's tourism markets and destinations</i>, Sept.2001, FLAG Consortium. • <i>Development and implementation of plans for sustainable development</i>, Local 	<p>'Environment', 2007-2013;</p> <ul style="list-style-type: none"> • Operational Programme 'Regional Development', 2007-2013, 2007; • Operational programme 'Transport', 2007-2013; • Operational programme 'Development of competitive economy', 2007-2013; • Establishing of tourist regions in the Republic of Bulgaria, 2008 (preceding draft project of 2007); • Ecological Assessment of the National Strategy for Sustainable Tourism Development in Bulgaria, 2008-2013, Nov. 2008, Povvick OOC • National Strategy for Sustainable Tourism Development,
--	--	--	---	---	---

				Agenda 21.	2008-2013.
NATIONAL LEVEL	Institutional framework	Ministry of Environment, Architecture and Urban Planning Committee		<ul style="list-style-type: none"> National Commission for Sustainable Development (1999) to coordinate the process of implementing Agenda 21 in the country; 	<ul style="list-style-type: none"> Ordinance 171 (2002) of CM for the establishing of a Coordination Council for the programme documents for the participation of Bulgaria in the structural and Cohesion Fund of the EU. Inter-institutional Advisory Council for Sustainable Development, established in 2006
NATIONAL LEVEL	Other		<ul style="list-style-type: none"> The Convention on Biological Diversity was signed at the Rio Summit by Bulgaria in 1992 and ratified in 1996. Reports were submitted in 1995 and 1998; Strategic Programme for protection of the biodiversity in 	<ul style="list-style-type: none"> Since 1997 Bulgaria has been part of the EU Environmental Monitoring and Information network. Signing the Goteborg Protocol (1999), the Republic of Bulgaria has committed itself to achieving further reduction of SOx 	<ul style="list-style-type: none"> May 2001, Bulgaria is granted the management of SAPARD Funds (593 mn euro) for financing of agriculture and tourism. ICZM – MyCoast project, 2007-2009

			<p>Bulgaria, 1994-2000;</p> <ul style="list-style-type: none"> • United Nations Convention on the Law of the Sea was ratified in 1996. The country is also a party to the Convention for the Protection of the Black Sea against Polluting (1994); • National Centre of Environment and Sustainable Development - annual bulletins and reports about the National System of Environmental monitoring, pollution in the Black Sea region.; • Black Sea Environmental Programme – publications. 	<p>emissions by 2010;</p> <ul style="list-style-type: none"> • Hazard Analysis Critical Control Point System is gradually adopted and applied; • Strategic Programme for protection of the biodiversity in Bulgaria, 1994-2000; • 1999-2004 Project: Sustainable Tourism Development – development of SMEs. 	<ul style="list-style-type: none"> • 1999-2004 Project: Sustainable Tourism Development – development of SMEs.
REGIONAL LEVEL	Strategies, Plans, programmes		<ul style="list-style-type: none"> • Sustainable Varna Project, 1995-2000, • Rehabilitation of Varna 		<ul style="list-style-type: none"> • Varna District Plan for Regional Development, 2000-2006; • Dobrich District Plan for

			wastewater plant, 1997-1999.		<p>Regional Development, 2000-2006;</p> <ul style="list-style-type: none"> • Action Plan for the development of ecotourism (2003) – Destination North Black Sea coast and North Stara Planina, VTC; • Varna District Strategy for Development, 2005-2015; • Dobrich District Strategy for Development, 2005-2015 • Regional Innovation Strategy of the North-East Planning Region (BL 014664, 6th Framework, ‘Research and innovation’) (2008);
REGIONAL LEVEL	Institutional framework				Expert committee on Regional Development;
REGIONAL LEVEL	Other		Implementation of unified system for state port control for the six Black Sea		

			countries.		
LOCAL LEVEL	Strategies, Plans, programmes, Concept papers	<ul style="list-style-type: none"> Varna Municipality Draft of General Development , 1981; Balchik Municipality, General Development Plan, 1988 	<p>Balchik Municipality General Territorial Development Plan, 1997 (proposed, not implemented);</p> <p>Varna Municipality General Territorial Development Plan, 1997 (proposed, not implemented);</p>		<ul style="list-style-type: none"> Construction of waste water treatment plant and water and sewerage system in the town of Balchik (2002-2009); Balchik Municipality, Development Plan, 2005- 2013 (2005); Coastline protection dyke Balchik-Albena (2006-2009); Programme for sustainable tourism development in Varna Municipality, 2007-2013 and Plan for its implanting; Programme for tourism development on the territory of Varna Municipality in 2007, Decision 554, 54/30/01/2007 Varna Municipality Draft of

					<p>General Territorial Development Plan as of 2008</p> <ul style="list-style-type: none"> • Annual orders of the mayors of Varna and Balchik municipalities for a ban on building activities between 18 May and 15 October.
	Institutional framework				<p>Balchik, Code of Practice of the Tourism Consultative Council in Balchik Municipality, Decision 164-18/30.01.2005</p>

Sources: www.lex.bg, websites of the relevant ministries and agencies over the period studied, district and municipal authorities, private archives.

APPENDIX 11

Business sector policy and planning framework, 1989-2009 presented in chronological order by year of enforcement.

Please note that until 1997 all tourist companies were state owned. Albena AD was privatised in 1996-1997, Golden Sands was privatised between 1997-2001, St. Constantine was fully privatised in 2003, the golf resorts are owned and managed by new entrants in the tourism industry after 2004.

Policy and Planning Framework		Prior to 1989	1989-2001		2002-2009
			1989-1997	1998-2001	
Albena Group	Strategies, Plans, programmes,	Prior to 1989 and in the period of state ownership, 1989-1997, all tourist companies were obliged to provide annual performance reports and annual plans for the development of the	<ul style="list-style-type: none"> • Concept for the privatisation of Albena, proposed by the management team (circa 1992); • Albena Business Plan (company strategy) 1996. 	<ul style="list-style-type: none"> • Annual reports on company performance. 	<ul style="list-style-type: none"> • Corporate and social responsibility policy, 2002; • Annual reports on company performance; • Business plan 2007; • Albena Group - Strategy

		company. Such documents were deposited in the State Archives in Varna and Dobrich.	<ul style="list-style-type: none"> In the period of state ownership, 1989-1997, all tourist companies were obliged to provide annual performance reports and annual plans for the development of the company. Such documents were deposited in the State Archives in Varna and Dobrich. 		for development, 2007.
Golden Sands Group	Strategies, Plans, programmes	(ibid.)	<ul style="list-style-type: none"> Proposal for the restructuring and privatisation of Golden Sands State Enterprise, 1990; Varna State Archives, Funds 603-3-38, Proposal for the restructuring of Golden Sands State Enterprise, 1992 Varna State Archives, Funds 603-3-38, Development policy of Golden sands State 	<ul style="list-style-type: none"> Golden Sands – Report on privatisation of Golden sands AD and further development of the company after privatisation, 1999. 	<ul style="list-style-type: none"> Golden Sands (2003) Registration document for providing information to potential investors; Golden Sands (2005) Registration document for providing information to potential investors: 20 March 2005: report on company past performance and plans for development.

			<p>Enterprise, 1992</p> <ul style="list-style-type: none"> In the period of state ownership, 1989-1997, all tourist companies were obliged to provide annual performance reports and annual plans for the development of the company. Such documents were deposited in the State Archives in Varna and Dobrich. All archives after 1993 on Golden Sands are on a special regime and not accessible. 		
St. Constantin and Helena Holding	Strategies, Plans, programmes	(ibid.)	n/a	n/a	Investment and development programme and plan of 23/08/2006

Other companies					
Lightho use Golf resort	Strategies, Plans, programmes	N/a Company established after 2002	N/a Company established after 2002	N/a Company established after 2002	Strategy and plans for future development published on the company website.
Black Sea Rama golf resort	Strategies, Plans, programmes	N/a Company established after 2002	N/a Company established after 2002	N/a Company established after 2002	Strategy and plans for future development published on the company website.
Others: Varna Airport	Strategies, Plans, programmes	(ibid.)	(ibid.)	(ibid.)	<ul style="list-style-type: none"> • Varna Airport given under concession to Fraport Twinstar. • Varna Tourism Chamber and Varna Airport – Concept Paper for the operation and management of a fund supporting

					<p>regular airlines, Varna, 2008;</p> <ul style="list-style-type: none"> • Master plan and strategy for development published on company website.
--	--	--	--	--	--

Sources of information: State archives Varna and Dobrich, companies, private archives.

APPENDIX 12

The sampling frame

English version. Attached/enclosed as a separate file to the email/letter sent to potential informants introducing the research topic, aim and objectives.



STAKEHOLDER MATRIX

The purpose of this *stakeholder matrix* is to draw a list of individuals who should be interviewed in order to enhance the understanding of the tourism development on North Bulgaria's Black Sea coast. The individuals who you will recommend will determine the accuracy and quality of the information gathered for the research.

For the purpose of the research the potential interviewees should meet the following criteria: they should have occupied a position that would have allowed them to take part in decision making related to the process of tourism development on North Bulgaria's Black Sea Coast, at some time during the period from 1990 to the present day, and have made a notable (in your personal opinion) contribution to the present-day state of tourism on Bulgaria's North Black Sea Coast.

Please, use the *stakeholder matrix* below to suggest up to four names in each stakeholder group. Where the same name is related to more than one group you can fill the name in as many boxes as you feel appropriate. In order to avoid confusion of the individuals' personalities, please, add their contact details and/or indication of organisation/firm.

Thank you for your kind cooperation!

MATRIX OF MAJOR STAKEHOLDERS IN THE TOURISM DEVELOPMENT ON THE NORTH BULGARIA'S BLACK SEA COAST (from 1990 until the present day, on the territories of Varna and Balchik municipalities)

Name (please, fill in your name):

Organization, position:

Date:

	Recommended names			
Stakeholder groups	Name 1 contact details	Name 2 contact details	Name 3 contact details	Name 4 contact details
Public authorities				
<i>National level</i>				
Central Government: National tourism authorities				
Central Government: other ministries and agencies				
<i>District level</i>				
District authorities Varna				
District authorities Dobrich				
<i>Local level</i>				
Local authorities, Varna municipality				
Local authorities, Balchik municipality				
Private businesses				
Accommodation providers				
Catering				
Developers				
Attractions				
Transport				
Infrastructure				

Others (<i>please, specify</i>)				
NGOs and trade associations (<i>please, specify</i>)				
Tour operators and travel agencies				
Tour operators				
Travel agencies				
Others				

Please, fill in and return as an attached file to ssbozhkova@bournemouth.ac.uk. Thank you !

APPENDIX 13

Interview guide

BGQ1. Бихте ли ми казали в кой период сте били ангажирани в развитието на туризма и в какъв контекст и роля/позиция сте работили в този период? (По черноморското крайбрежие/България/ на международно ниво, но свързано с България)

ENQ1. Could you tell me over what period and in what context you have been involved in tourism development? (On the Black Sea Coast/elsewhere in Bulgaria/ internationally but related to Bulgaria's Black Sea coast)

BGQ2. Лично вие какво разбирате под словосъчетанието 'туристическо развитие'?

ENQ2 What does 'tourism development' mean to you?

BGQ3. Като погледнете назад през годините, какви периоди/етапи в развитието на туризма по северното черноморие можете да разграничите (от 1990 до днес или от времето, когато вие сте започнали работа, свързана с туристическото развитие)?

ENQ3. Looking back, ideally to 1990 but if not then to the year you first became involved, can you distinguish different 'periods' in the development of tourism on the North Black sea coast from 1990 to the present day?

BGQ4. Как бихте характеризирали процеса на туристическо развитие през този период?

ENQ4. How would you characterize the tourism development in this period?

BGQ5. Имаше ли туристическа политика и какви бяха нейните цели? Ако не е имало туристическа политика, какви бяха причините за липсата на такава?

ENQ5 Was there a tourism policy and what were its objectives? (If there was no tourism policy, why not?)

BGQ6. През този период беше ли туристическото развитие разглеждано като част от общото развитие или се считаше за нещо самостоятелно? Защо?

ENQ6 During this period was the development of tourism regarded as a part of the general development or separately? Why?

BGQ7. Кои международни/национални/регионални агенции, личности, фирми, или неправителствени организации изпълняваха главната роля при формирането на типа туристическо развитие по сешерното черноморие (в този период)?

Защо считате, че са играли 'главна роля'? Напр. Какво означава за вас 'главна роля'?

ENQ7. Which international / national / regional agencies, individuals, companies, or NGOs played a major role in determining the type of tourism development on Bulgaria's North Black Sea coast?

Why would you regard these as 'major' roles? I.e. what does 'major' mean?

BGQ8. По какъв начин ситуацията в България се е отразила върху типа туристическо развитие от онзи период?

ENQ8. In what ways did the situation in Bulgaria influence the type of tourism development in this period?

BGQ9. Според вас, кои фактори са възпрепятствали туристическото развитие в онзи период? – колкото можете да изредите или два-три, които считате за най-важни.

ENQ9. What were the barriers to tourism development in this period? As many as you can think of or the two-three most significant.

BGQ10. Какви според вас са успехите на туристическото развитие през въпросния период?

ENQ10. What to you were the successes/positive outcomes of tourism development in this period?

BGQ11. Имало ли е възможности нещата да се направят по по-различен начин? Какво по-точно е могло да се направи? Ако 'да' ... обяснете по-подробно, ако 'не', моля, обяснете.

ENQ11. Could anything have been done in a different way? i.e. Yes it could .. explain, no it could not... explain.

Q's 4-11 ARE REPEATED FOR EACH OF THE PERIODS THE INTERVIEWEE SUGGESTS

BGQ12. Как бихте описали сегашния етап от развитието на туризма (в екологически, икономически и социален аспект)

a) екологически b) социален c) икономически

EN12. How would you describe the current state (2008/2009) of tourism development?

a) Environmental b) Social c) Economic

BGQ13. Какви по-нататъшни стъпки би трябвало да предприемат различните заинтересовани групи?

ENQ13. What actions should be taken next by the different stakeholder groups?

BGQ14. Има ли нужда от политики и дейности целящи устойчиво развитие?

ENQ14. Is there a need for an overall policy for the country / region regarding sustainable development and associated actions? Do you know if there is one?

BGQ15. Бихте ли желали да добавите нещо към казаното досега?

ENQ15. Is there anything else you would like to add?

APPENDIX 14

Stage 4 of the *Framework* method for organising and analysing qualitative data: Charting

Model of a Chart						
Theme						
Interviewees	Sub-theme	Sub-theme	Sub-theme	Sub-theme
Public sector						
PS 1						
PS 2						
...						
PS10						
Business sector						
BS 1						
BS 2						
...						
BS10						
NGOs						
NGO1						
NGO2						
...						
NGO4						

APENDIX 15

Example of Stage 4 of Framework analysis: Charting

Policies for development of tourism and prevailing practices – Chart 3(B)

Please note that the content of the original chart has been edited to ensure that no individuals can be identified by implication.

CHART 3(B). Policies for tourism development and prevailing practices						
Stakeholder groups	Interviewees	3.3. The transformations of the tourism sector (after the privatisation), 2002-2009				
		3.3.1. Factors determining the transformation processes	3.3.2. Policies for product diversification	3.3.3. Policies for improving product quality	3.3.4. Policies for company portfolio diversification	3.3.5. Policies for environmental upgrading
Public sector	PS1	<p>IMF pressing BG for a 0 budget deficit=> cuts in infrastructure investments.</p> <p>Unemployment – negative impact on tourism (people prepared to work for less money, while owners prefer to hire unskilled employees and pay them less => negative impact on the quality of tourist product).</p> <p>Legislation framework – Tourism Act=> emphasis on legislation, regulating the tourism sector, simplifying administrative procedures; decentralization of tourism management.</p> <p>International contacts and memberships to raise the image of the country</p> <p>2003 – concept (strategy) for development of tourism until the EU accession.</p>	<p>After 2001 - emphasis on alternative types of tourism: Strategy for development of ecotourism and Strategy for development of rural tourism, in relation with NATURA 2000 and the protected territories.</p> <p>Golf tourism discussed before 1989 – revived after 2002.</p> <p>In general state policy oriented toward diversification of tourism, away from mass tourism –</p>	<p>After upgrading and renovation, the general quality of the accommodation facilities is very high; new facilities made available – tennis courts, swimming pools, spa centres, etc..</p>		<p>Modernization of transport - coastal airports given under concession.</p> <p>Protected areas are preserved [GS, ALB].</p>

		<p>Emphasis on alternative types of tourism: Strategy for development of ecotourism and Strategy for development of rural tourism, in relation with NATURA 2000 and the protected territories.</p> <p>Boom of investments mainly along the coast - speculative investments dominate.</p> <p>Interests for investing on the UK markets, due to bank loans availability [in general domestic market still has a limited purchasing power].</p> <p>Major airports given under concession.</p> <p>Awareness of massive overdevelopment peaking in 2004-2005.</p> <p>Economic crisis, 2007+ puts on a hold large development projects.</p>	<p>eco tourism (2004 strategy). Using the protected areas to expand the offer of mass tourism resorts.</p> <p>Policy of ‘alternativeness’ dominates .</p>			
	PS2	<p>Processes in general ‘normalise’, better security and stability.</p> <p>Remains unchanged: frequent restructuring to the NTAs and conceptual confusion of the senior government officials [no appreciation of domestic market, over-reliance on major European markets].</p> <p>‘Claimed’ confusion over property rights, <i>who</i> owns <i>what</i> and who is responsible for the territory – the public sector [centrally and locally] does not assume its role of the owner of public infrastructure and heritage.</p> <p>‘Confusion’ over main regulation issues related to tourism – domination of politicians in decision making ion, decisions in favour of politicians’ personal interests.</p>	<p>Cultural tourism, rural tourism – still problems remain unsolved</p>	<p>High quality accommodation</p>		<p>EU accession funds for infrastructure development. Not directed where most necessary, but on the other hand – tourism is in private hands.</p>
	PS3	<p>Political stability => legislation largely conformed with EU directives => stable economic environment. Little change in some political practices.</p>	<p>Huge advantage for BG tourism - tourism has diversified – not only coastal and ski tourism, but also</p>	<p>Quality of the wine tourism is at a very high level – but not typical for the region; not sure if there</p>		<p>Infrastructure is not in an adequate condition, however policies for environmental</p>

			<p>alternative forms. Alternative forms are in infant stage of development. Diversifying to golf tourism is in the right direction.</p>	<p>are successful types alternative to mass tourism..</p>		<p>upgrading are the responsibility of another government institution and the NTA cannot do anything in this respect. Contention that although some territories have been degraded and overdeveloped, in general BG natural environment is the most well preserved in Europe, with the largest % of protected territories under NATURA 2000.</p>
	PS4	<p>State policy to attract the multinationals, guarantee stability and safety of their loans. The completion of privatization in 2000-2001 unleashed the tourism development. Clear rules of the game. Secured financing for national promotion. EU funded projects for improving product quality: ‘Encouraging the sustainable development of tourist businesses: stimulating the quality’</p>	<p>Away from mass tourism but still dominates the coastal areas</p>	<p>‘Drastic shifts in product [accommodation] quality’. Due to TOs’ pre paid programme, a massive processes for upgrading and renovation of accommodation facilities, expanding the portfolio of tourist services. Contention that the accommodation facilities in BG in general are above European standards. Multinationals (TUI, NUR) establish own agencies in BG to control the quality of the tourist services.</p>		<p>EU funds for infrastructure development. Infrastructure in inadequate and unacceptable condition.</p>

				EU funded projects for improving product quality: 'Encouraging the sustainable development of tourist businesses: stimulating the quality'		
PS5	Relative stability in the country and the EU accession preconditioned investors' interest. Big corporate businesses are given support, some related to political elite.	Contention that golf tourism on the BS coast is an appropriate attempt to go upmarket. Nevertheless, not convinced that the golf developments can secure return on investments.	Contention that the North BS coast is developing in a more balanced way than the south coast => preconditions for high-category tourism. Nevertheless, in general the destination is not moving upmarket – it is rather maintaining its uncompetitive position.	Contention that ALB's concept for portfolio diversification is correct, nevertheless, no sufficient investments are made in the core business – Albena resort, hence the lower category of hotels compared to other resorts.	Environment preserved in ALB and St.Const. (ironically, because unexpected outcome of 1990s privatisation)	
PS6	Interest in real estate: agricultural land along the coast at very low prices => purchase of large plot and changing their status from agricultural to urban land for construction of holiday homes => process decentralized. Economic crisis, 2007+ - we rely on it to 'clump' the investors' interests. Development process more balanced until 2001. 2002 -2007 - massive urbanization of resorts. Authorities acting in their own interests. Black Sea coast Act, 2008, regulation of development – only when the investors see that development goes against their own interests.. Ongoing restitution process. Lack of continuity in all state policies determines the inconsistency of the work done	Golf and real estate (apart-hotels increase in resorts)	Contention that where there is a sole owner of territory and has beach concession, as in ALB, improving quality of the product is done by renovating the existing accommodation facilities, not expanding and building new hotels.		Contention that where there is a sole owner of territory and has beach concession, as in ALB and St.C&E , there is a policy for preserving the environment and overdevelopment is avoided.	

		at central government level.			
	PS7	<p>2000-2007, liberalisation of economy, markets, ‘invasion’ of capital, a massive investors’ interest and start of physical development. Interest of European citizens in second homes in the municipality [leading to overdevelopment in some places];</p> <p>2007 onwards downturn due to the global financial crisis and lack of bank loans.</p> <p>LAs policy priorities: social aspects, welfare of the local population: education, health care, payment of wages, unemployment benefits => ambitious objectives [infrastructure] remain in the background for lack of money.</p> <p>Political influence continues and gets worst the better a municipality performs.</p>	<p>Policy for tourism diversification towards ‘elite’ tourism: Golf: local authorities granted a large plot of land [‘huge plot’, for the scale of the municipality] for the development of a golf course;</p> <p>Marina: concession and sale of large plot of land behind the marina;</p> <p>Airport for small aircrafts – under concession;</p>	<p>A process of total upgrading of all accommodation facilities and building of new ones => understanding that tourism should be developed not only in quantitative way but also in a qualitative way [preserving the green areas.</p> <p>LAs annual programmes and budgets for promotion of the municipality [travel fairs, information centers, brochures, website, etc.]</p> <p>LAs policy to support law and order: budget allocated for police and fire brigade force.</p>	<p>Understanding that the tourist resources in the municipality are numerous and should not be developed without planning and infrastructure => Policy for environmentally balanced development. ALB is setting the good example and assisting the municipality to minimise the misbalance between the resort and the rest of the municipality. Annual programmes for tourism development with emphasis on the infrastructure [green areas, maintenance, roads rehabilitation, WCs, bicycle lanes)</p>
	PS8	<p>EU accession => liberalization of entrance regime for Romanian citizens. You need to have friends and lobby ‘up there’.</p>	<p>LAs policy for a three - centre tourism development:</p> <p>1/ X – mass tourism, Russian market and the former USSR states;</p> <p>2/ XX resort – all-inclusive type of tourism</p> <p>3/ XXX - higher-spending [‘high-status’, ‘quality’]</p>	<p>More than 5 000 beds in the high-category accommodation operating in X only – there is a demand for more.</p>	<p>Investments in the road infrastructure – all roads are rehabilitated. New water treatment plan opens in 2009; complete rehabilitation of the water and sewerage system. Difficulties in</p>

			<p>visitors</p> <p>Golf tourism as an 'alternative' to mass tourism.</p> <p>Eco paths constructed in with the LAs approval and EU funding.</p> <p>Tentative development of rural tourism .</p> <p>Events calendar; Marina.</p>			<p>obtaining money for large infrastructure projects under ISPA EU funded programme; lengthy procedures, lack of transparency and local control.</p>
	PS9	<p>A boom of foreign and national investors. Investors'/developers' interests got ahead of the planning process. Interest moved from the south to the north coast once the south territories were overdeveloped.</p> <p>Developers were interested in territories which were not considered for development in the existing Land Development Plans (LDP). Detailed LDP were assigned on a unit-by-unit basis.</p> <p>It all started gradually in 1999 and then like snowballing by 2002-2003 we witnessed a serious investors' interest.</p> <p>Under the Law on territorial and urban development , everything was better regulated than in the new [2001] Law on development of the territory – less loopholes and opportunities for interpretations in Period 1.</p> <p>Legislation not stimulating the development - Energy Act requires investors to build infrastructure and transfer it for free to the energy distribution companies.</p> <p>Development in BG attractive due to low labour and construction materials costs.</p> <p>Relative stability in the country.</p> <p>Legislation framework in place as opposed to</p>	<p>A policy of the LAs to diversify the tourism product and break the territorial concentration of mass tourism in X.</p> <p>1999+: a trend to build closed, residential settlements with holiday functions. (a type of apart-hotels) – real estate business.</p> <p>Development of apart hotels around the urbanized territories.</p> <p>Mass tourism is concentrated in former resorts and coastal villages.</p> <p>Golf courses and resorts are developed around the administrative towns. Rural tourism tentatively offered in the hinterland.</p>	<p>A variety of high-class accommodation and catering facilities in towns, while before 2000 all facilities are concentrated in resort complexes.</p>		<p>Firm policy for environmental LAs projects for infrastructure rehabilitation and construction of new facilities: water treatment plant, building of a new sewerage and clean water system, coastal protection works completed; detailed development plans for the municipal territories.</p>

		<p>the legislation chaos before 1999 but less clarity, more loopholes and preconditions for political interests to dominate. The economic crisis 2008-2009 => bank loan policy changes=> development of many projects on a standby – still it has a healing effect on clumping development interests.</p>				
	PS10	<p>Stability after 2000, then the economic crisis of 2007-2008 all developments frozen; Frequently changing regulation framework – Development Act of 1999 changed in 2004, then in 2008. Lack of stability, rules change every four years with the change of political party in government. General stability in the country.</p>	<p>Diversification of tourist product in administrative centres in attempts to come out of the shadow of resorts. The town develops as a resort place. Golf tourism – an opportunity to develop scrubland and create jobs, although some of the territories are believed to be unique. Rural tourism – insignificant number of businesses, in spite of the public support; Increased efforts and investments in environmental projects [coastal protection works]</p>	<p>In general all development projects aim at upgrading and offering a high-category accommodation and attempt to improve[and create] adequate infrastructure.</p>		<p>Projects related to sustainable tourism development are done with the EU funds under SAPARD on all the district territory, with a concentration on the municipality : water treatment plants; building of a new and rehabilitation of the existing water and sewerage systems; Project for elaborating a vision of development of the Black Sea coast. Some projects stopped - lack of continuity of the successive LAs. In general LAs put effort proactively into infrastructure projects to provide good conditions for investors in support tourist and real estate development.</p>

Business sector	BS1	<p>1998-2000 intensive privatisation => upgrading and expansion of facilities => overdevelopment and urbanization.</p> <p>Interest in real estate is stimulated by investment interest for the UK and Irish markets and available bank loans to purchase a second home.</p> <p>Jan 2008 – the Black Sea Act – regulation for the development of the Black Sea coast.</p> <p>Economic crisis and the EU accession– ‘Thanks God for the economic crisis and the EU accession – otherwise we would have been buried in resorts and hotels.</p> <p>Investment boom everywhere and despite its erratic character, the destination became more civilized.</p> <p>EU subsidies for infrastructure and marinas development.</p>	<p>Integrated policy of owner for building new high-category hotels, while preserving the natural environment, avoiding overdevelopment and urbanization as in GS and SB.</p> <p>In general the policy for upgrading and building high-category hotels is complemented by the policy for diversifying by building residential and holiday estates.</p> <p>Golf- another way to diversify.</p> <p>Diversity of market to ensure sustainability of the business.</p>	<p>Integrated policy of resort owner for building new high-category hotels, while preserving the natural environment, avoiding overdevelopment and urbanization as in GS and SB.</p> <p>Policy for product quality (4 star hotels) is appropriate and guarantees constant tourist flows and maintaining the price levels.</p>	Hinted but declined to discuss in details	<p>Integrated policy of resort owner for building new high-category hotels, while preserving the natural environment, avoiding overdevelopment and urbanization as in GS and SB.</p> <p>Varna LAs’ policies for environmental upgrading do not meet requirements for infrastructure .</p> <p>Plan for integrated development the territory over the next 5 years.</p>
	BS2	<p>2002 – Privatization and Post-privatization Control Act – a new stage in changing the property rights and implementing control mechanisms.</p> <p>Development is influenced by both, the policy of each new government and by the EU accession and EU priorities.</p> <p>Accession of West European banks in BG and availability of funds for development.</p>	<p>Spa tourism - new hotels to be built will introduce spa treatment and use the mineral springs on the resort territory..</p>	<p>Upgrading of hotel facilities in 1992 leads to constant tourist demand.</p> <p>Gradual upgrading and expansion of accommodation facilities by the new owners – under unified development plan for the whole territory, integrating both superstructure and infrastructure.</p> <p>All new hotels – 4 + stars category.</p>	Different tourism-related activities in different places	<p>Resort infrastructure privatised in the assets of the resort.</p> <p>Policy for integrated development initiated by the new owners – planned, gradual development of accommodation facilities while renovating all infrastructure. Strategy to preserve the environment (park areas).</p>

						Firm strategy not to allow overdevelopment (as in GS and SB). Contention that the X resort is the territory with most balanced development.
BS3	<p>Market liberation – no restriction on private business initiative => no supply problem;</p> <p>Opening of borders and inadequate labour policies => trained staff migrate;</p> <p>Transfer of capital investments from one economic sector to another;</p> <p>Banks do not lend money for rural tourism;</p> <p>EU funding programmes ineffective because of the government;</p> <p>Inefficient legal system =>X cannot collect infrastructure fees for years;</p> <p>Major weakness of BG economy – the politicization of the business and its dependence on political changes;</p> <p>VAT on tourism;</p> <p>Reliance on economic crisis to ‘sober’ down investors and force them to cooperate;</p> <p>New regulations – ‘every three years’;</p>	<p>Hoteliers started to rediscover spa and wellness tourism;</p> <p>Everyone offers extra services;</p> <p>Rural tourism in infancy;</p> <p>Imitation of rural tourism, not the real thing;</p> <p>Golf tourism;</p> <p>XS – no all inclusive;</p> <p>XX – all inclusive introduced, which brought low income tourists;</p> <p>XXX– policy for product diversification: new hotels and apart hotels, high spending clientele, Aqua park;</p> <p>X: next comes building a big spa hotel and villas;</p>	<p>Upgrading hotels – from 2 and 3 start to 4-5 starts;</p> <p>Bulgaria achieved quality of accommodation above European standards;</p> <p>After 2006 competitions is based on product quality and value for money products, not on size of facilities;</p> <p>X resort: policy for maintaining the quality of the product and retaining the markets;</p> <p>After privatization: aiming at top quality of facilities, 4-5 star hotels, good service and good price;</p>	<p>X. splits activities on a functional basis and sets up separate companies for each activity: hotel, real estate, infrastructure maintenance, electric power provider, electric power distribution, water treatment, water company etc.</p> <p>X adds apart hotels to its portfolio;</p> <p>All restaurants and bars in X are owned by the company;</p>	<p>X. suggest [unsuccessfully] banning cars in the resort so manage traffic and ensure safety for the tourists – negative reaction from private businesses;</p> <p>Building a water treatment plant;</p> <p>Changing of water pipes on the territory of the whole resort;</p> <p>Constructing an attraction park on the buffer zone to the protected park areas – to protect the natural features of the area;</p>	
BS4	<p>Economic crisis changes the priorities of each business. Expected fall in holiday bookings for 2009 – 10%.</p> <p>Still, the rules of the game change frequently => insecurity for the business.</p> <p>Boom of investments in tourism and real estate.</p> <p>Policies for staff development – lack of such in general and lack of policies to overcome seasonality in tourism,</p>	<p>Apartment hotels; attractions</p>	<p>Hotel category may increase, however, there is dissatisfaction with the aesthetics of the new hotels and the level of development of infrastructure => the general perception of product quality is low,</p>	<p>Need to go into different types of business, tourism not as profitable as expected.</p>	<p>Policies for development of infrastructure –non-effective. General discontent with the infrastructure development.</p>	

		Lack of state support for promoting the tourism sector abroad. State policy in favour of keeping unchanged the levels of airport taxes (since 1999). Things done by politicians for politicians.		especially compared to the competition (Turkey). Improving airport facilities – necessary – old facilities outdated and ageing. New master plan for development of Varna airport.		
	BS5	‘Deadly’ ineffective judicial system remains a barrier to development. Corruption of political elite.	A standard policy for diversification for BG – building new type of resorts. Diversifying within the product – cultural calendar together with the municipal council; detached houses with individual gardens. Company sells the house not the land, property management remains with the company – a way to guarantee no changes to the initial development plans.	A concept for a high quality, international tournaments, facilities and accommodation.		Infrastructure inadequate – everyone build their own infrastructure and links to the main sources.
	BS6	Increased mobility in view of EU accession + high wages abroad => migration of qualified staff. Leaved the tourism industry in a difficult situation. Political interests determine business decisions.	Diversification to all-inclusive – on demand by the TOs. Not appropriate for X and not introduced by X hotels. Not convinced that this is the best formula for the BG tourism. Diversifying to attractions Alternative forms of tourism – e.g. Cur Club in the pre-season – limited volumes.	Firm policy for upgrading of accommodation facilities and building new high-category hotels. Renovation and upgrading of accommodation facilities is necessary because at the time of privatization facilities are outdated and ageing. Soon after privatization almost tourist facilities in X are upgraded and offer additional services.	Building of residential and apart hotels to repay the instalments for the privatization deal – done in good time and large demand – quick return on investments and very appropriate in the situation of X. Not profitable for the new owners due to low rent levels in	X keeps the infrastructure and sets up separate infrastructure companies - electricity power distribution; water and sewerage company and a maintenance company. Awareness that road infrastructure in X is not excellent because of ongoing construction activities

				XX in better position than XXX – easier to find investments for 1-2 hotels	the destination – many apartments on sale.	in the resort.
BS7	<p>The economic crisis delays development – Sept 2008 . State and banks reaction – inadequate and causes confusion among business. In X the situation was ‘very difficult indeed’. Investments stopped.</p> <p>Stable bank system, but bank loan policy do not stimulate resort development: money paid in small loans, unified system for crediting, priority to residential construction than to golf resort development.</p> <p>No political will to solve problems – things done on personal basis.</p> <p>A boom of real estate business – speculative investments..</p>	<p>Property developed as X resort with housing units, hotels and a small resort on the shore with intentions to develop attractions and beach - property attractive for both golfers and non-golfers.</p>	<p>X resort: professional design, aiming at high-class product properties, hotel.</p>	<p>Construction of residential and office estates - a main business.</p> <p>Development of golf - new business – grasping the opportunity/the niche.</p>	<p>Appreciation for the policies of LAs and actions to upgrade the infrastructure – road infrastructure is abode the average for BG level.</p>	
BS8	<p>State fiscal policy is attractive enough to stimulate the business. An issue was the introducing of the VAT in tourism, but it was required by the harmonization with the EU legislation.</p> <p>The situation in the tourism-generating countries (UK, Germany, Scandinavian countries) had a negative impact on the tourist flows and revenues.</p> <p>The current (2007) economic crisis - cutting costs policies of business => cancelling all investment projects (all our decisions depend on the economic environment) .Political factor traditionally strong – part of the national stereotyped behaviour.</p>	<p>Diversification of the product is necessary – if you want to be attractive to tourists you have to offer something new all the time.</p>	<p>We were obliged under the privatization deal to carry out an intensive investment programme. – over VV mln euro were invested.</p> <p>Improving quality of the mass product is a must – if we had only BB and HB before, the recent years there is a shift to all-inclusive, ultra all-inclusive. Spa tourism is also at a much higher level. Tourist requirements change over the years and we have to comply.</p>	<p>Portfolio diversification – we need to diversify, tourism is in a crisis now, we need to be able to rely on other businesses too if one of them goes down.</p> <p>...‘It is very difficult to maintain this portfolio with the existing team’</p>	<p>Unlike in other resorts we wanted to find the ultimate option for the resort development and did not allow overdevelopment. We believe that X was very planned by the former architectural team and we wanted to preserve it the way it was.</p>	
BS9	<p>‘Stability’ – stable currency rate, stable legislation, stable bank system.</p>	<p>Diversification is the way ahead – ‘the future is in golf</p>	<p>Improving product quality (upgrading of hotel</p>	<p>Diversifying company portfolio</p>	<p>X’s policy to preserve environment and</p>	

	<p>A beneficial period for BG economy and tourism in particular. Improved transparency of procedures, improved legislation. Inflow of private investments in tourism. Mass privatization is over in the beginning of 2000s. Stable bank system – loans available. Development of the real-estate sector. Avoiding taxation – a common business practice, suffer those who play according to the rules 2004-2005 grey economy starts to come out of shade. Development stimulated by legislation and clear rules. BUT, forceful practices to influence on decision-making exist, political interference still strong. State policy for money-laundering =>illegal money invested in BG, not exported abroad (positive); Strong state control on quality; State policy to EU accession – using tourism as a scapegoat to demonstrate work done in some sectors(e.g. visas) to compensate lack of progress in other sectors (e.g. corruption, judicial system) State policy neglected transport communications and infrastructure development.</p>	<p>'because of the high-category accommodation facilities. Diversification within the mass tourism products : sport facilities, gambling, spa, conference halls. No match with high-category accommodation facilities.</p>	<p>facilities) using the pre-paid services scheme; The individual improvement of product quality lead to the collective degradation of resorts (e.g. SB from 40,000 to 200,000 beds, GS, 15,000 to 35,000). The policy for improving product quality only by renovation is not successful any more – for the same investment new hotels should have been built lags behind competition in terms of high-quality accommodation. No match for the highly diversified sport, spa, gambling facilities in the resort.</p>	<p>is not a competitive advantage currently Using emerging opportunities to buy other businesses, however, this reduces the available resource to upgrade X as a core business. Diversification aims at creating a closed cycle around the core business and self-efficiency.</p>	<p>improve infrastructure - an advantage for the tourists, not for the company</p>
BS10	<p>Lack of state policy. Where there are attempts for a policy, due to political changes and lack of continuity, all initiatives are not successful.</p>	<p>Believes that diversification is (1) not the answer to the problems and (2) there is no understanding of which is the proper approach;</p>	<p>Foreign hotel management – unsuccessful Conditions in BG different. Understanding of 'quality' is different.</p>		

			<p>Contention that many people were misled to develop something that does not exist - rural tourism. Believes that rural tourism will not solve the problem of the mass tourism – will not replace it due to the revenues and will not solve the investors’ problems.</p> <p>Inappropriate approach to development of spa tourism: lack of knowledge of the markets operation;</p>			
NGO sector	NGO1	<p>Inefficient judicial system – lack of protection of the interests of business and individuals. The state is not functioning as a regulator of the processes of development – it has resigned from all regulation.</p> <p>The ‘new’ businesses of all kinds demand legitimating, acceptance from society.</p> <p>The capitals exported illegally in the 1990s are repatriated in the 2000s.</p> <p>Political stability. Political and social structures mature.</p> <p>Criminality slows down.</p> <p>Huge inflow of speculative investments in tourism.</p> <p>Small investors with a tourism background fight to survive with huge loans.</p> <p>Unlike the 1990s, in the 2000s the state hinders, does not stimulate the SME in tourism. Frequent changes in the legislative framework, SME Act (remission of profit tax) do not stimulate the small business, frequent re-registering of</p>	<p>NGOs - stimulating the development of alternative forms of tourism: religious, wine, spa, business, etc. – a way to diversify, to avoid current overdependence on mass tourism. Contention that mass tourism is here to stay and diversification is the only way to coup with overdependence.</p> <p>The business diversifies in real estate – apart hotels, due to strong initial demand by the UK market and available bank loans. At present the market has gone down.</p>	<p>Over-supply resulted in sharp increase of ‘product quality’ – construction of high category accommodation facilities.</p> <p>Increasing quality of ‘hardware’ not matched by quality of ‘software’ (skills)</p>		<p>Private ownership of infrastructure in GS and mixed ownership of infrastructure in general hinder environmental upgrading.</p>

		companies, lack of low interest loans for SMEs..				
	NGO2	<p>There is no state policy, no understanding of the need of urban and integrated planning – the state does not place an order for elaborating of master plans.</p> <p>Lack of state policy in all spheres of life – education, health and care, energy providing, etc. – constant changes [experiments].</p> <p>Controversial actions of cabinets: NATURA 2000 is still not approved, which construction goes on; territories approved for NATURA 2000 are let by government for development without any construction bans.</p> <p>Inconsistent and changeable state policy hinders all planning and implementing of environmental activities of BSPB. It is a policy of loopholes.</p>	<p>There are policies for diversification but there is no real diversification.</p> <p>Everyone looks at quantity, mass-tourism.</p>	<p>Not sure if this is the product quality that will support activities in future.</p>	<p>Everyone believes they can run many types of tourism.</p>	<p>X works for the integrating of tourism policies and establishing the NATURA 2000 network to achieve a manageable mass tourism => sustainable tourism. The tourist infrastructure in the protected territories is developed for the mass tourism, therefore the strategy for eco-tourism is closely related to mass tourism.</p> <p>Contention that there is no understanding and policy for environmental upgrading at a national level: no urban planning, no integrated planning.</p>
	NGO3	<p>Stability on the surface but old issues persist, old ‘faces’, old interests and groups.</p>	<p>Offers religious tourism and events – organizes international children’s festivals in X: ‘I do not care how the municipal council call it, but I am doing it and I am doing it well’</p>		<p>There is a common practice to register a number of companies to avoid overdependence on one business only and in some areas it is possible to avoid taxation: X works</p>	<p>A lot is invested in infrastructure but not enough and not where most needed.</p>

					in tourism, projects, construction and renovation, property management. In property management he is paid in cash thus compensating delayed payments from other activities.	
	NGO4	The boom in alternative tourism (yachting, marinas) dates back to 2000 – the people who earned easy money bought houses, cars, second homes and decided to buy yachts. The increasing number of yachts led to a demand for marinas and slow marinas were developed. Politicians remember me when they need a favour, afterwards they are not accessible . Everything decided at the top.	Yacht tourism is a way to diversify, prove that it is possible to develop such type of tourism in the Black Sea. The increasing number of yachts increased the demand for marina and the GS and Balchik on North coast were developed, which the best marina is on the South Black Sea coast. Varna needs a marina too, but it is difficult – requires money (banks do not favour loans for marina due to slow return on investments); changes in the development plan of VAR – the approval of the local parliament. The existing marinas have unrealistic price policy and yachts move to Turkey and Greece.	We have been improving quality since the beginning – there was nothing in 1990, then from 1992-1993 dates the marina in GS, 1995 is the marina in Balchik, but it required a lot of money, so it was given under concession after 2000. There was no marina on the South Coast, in Sozopol we cut the grass on the quay – today, the best BG marina is in Sozopol.	Diversification of activities necessary, we cannot survive without this.	Lack of adequate infrastructure – this is why BG tourism is in a trap.

APPENDIX 16

Stage 5 of the Framework method for organising and analysing qualitative data – Mapping and interpretation

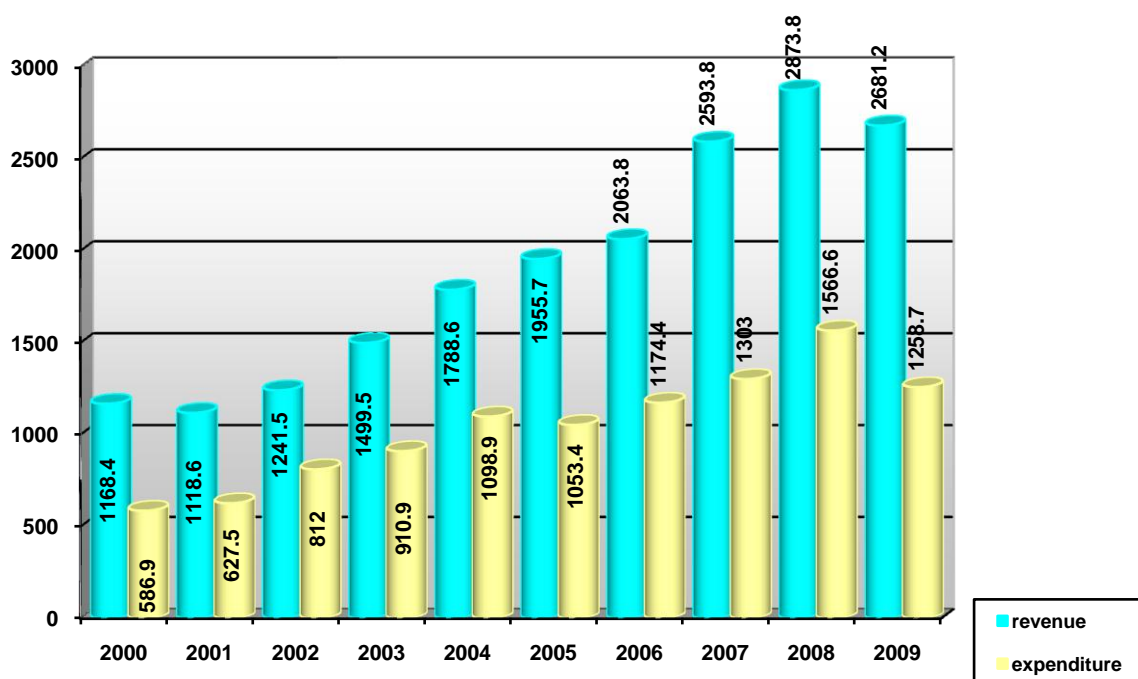
The process of defining the dimensions of a phenomenon: ‘tourism development’ on Bulgaria’s Black Sea coast					
Ordering of characteristics	Characteristics	Labelling			
Exclusive definitions	<ul style="list-style-type: none"> Investment boom Building of superstructure NOT infrastructure Building of superstructure and infrastructure Intensive urbanisation of resorts Urbanization of the whole Black Sea coast Development of new types of tourism – golf, yachting Development of a wide spectrum of tourist services Development of new mass tourism products Development of a variety of tourists products – mass and alternative Developing superstructure and infrastructure, and different types of tourism in such a way as to preserve the balance between the economic and environmental system All tourism nowadays is sustainable tourism development Preserving the natural environment Privatization of the tourist assets Urban development planning and zoning Organizational structure of tourism sector Policies for decentralization and local empowerment HR policies Integrated development 	Physical development	Diversification of the tourist product	Sustainable tourism development	Tourism development of the whole tourism system
Inclusive definitions					

Plotting associations			
Across the stakeholders' groups			
Tourism development is ...			
Development of infrastructure and superstructure	Diversification of the tourist product (s)	Sustainable tourism development	Development of the whole tourist system
PS6	PS1	PS7	PS2
PS9	PS3	NGO1	PS4
BS1	BS5		PS5
BS2	BS6		PS8
BS10	BS7		PS 10
NGO1	BS8		BS2
NGO2	NGO3		BS3
			BS4
			BS9
			NGO4

APPENDIX 17

International tourism balance of payments - Bulgaria (2000-2009)

International tourism – Bulgaria, Balance of payments (in million euro)



According to national research *Summer 2009* 85% of all foreign tourists visit Bulgaria on a summer sun-sea-sand holiday, while 6,6% of all foreigners come for eco-tourism, 6,4% for rural tourism, 2,5% for golf tourism.

Source: *Tourism statistics*, http://www.tourism.government.bg/files/statistics/file_85_bg.pdf

APPENDIX 18

Examples of selected regulatory acts 1989-2009 and number of amendments made.

Source: the author based on information derived from www.lexs.bg

TOURISM ACTS

(1998) Tourism Act

(2002) Tourism Act, 07.06.2002, amended: 27/12/2002, 29/12/2002, 12/05/2004, 1/04/2005, 10/05/2005, 25/11/2005, 9/12/2005, 29/12/2005, 11/04/2006, 25/04/2006, 10/10/2006, 22/12/2006, 29/05/2007, 5/10/2007, 21/03/2008, 4/04/2008, 25/06/2008, 13/03/2009, 16/10/2009, 23/02/2010, 2/06/2010.

(21 amendments for a period of 8 years)

...

COMMERCIAL LAW (1991)

Commercial Act promulgated State Gazette No. 48/18.06.1991, effective 1.07.1991, amended SG No. 25/27.03.1992, amended and supplemented, SG No. 61/16.07.1993, 103/7.12.1993, 63/5.08.1994, amended, SG No. 63/14.07.1995, amended and supplemented SG No. 42/15.05.1996, effective 15.05.1996, amended SG No. 59/12.07.1996, effective 1.07.1996, amended and supplemented, SG No. 83/1.10.1996, effective 1.11.1996, amended SG No. 86/11.10.1996, effective 1.01.1997, SG No. 104/6.12.1996, effective 6.01.1997, SG No. 58/22.07.1997, effective 22.07.1997, amended and supplemented, SG Nos. 100/31.10.1997, 124/23.12.1997, effective 1.04.1998, SG No. 21/20.02.1998, supplemented, SG No. 39/7.04.1998, SG No. 52/8.05.1998, amended and supplemented, SG No. 70/19.06.1998, amended, SG No. 33/9.04.1999, supplemented, SG No. 42/5.05.1999, amended, SG No. 64/16.07.1999, amended and supplemented, SG No. 81/14.09.1999, effective 15.12.1999, amended, SG No. 90/15.10.1999, supplemented, SG No. 103/30.11.1999, effective 30.11.1999, amended and supplemented, SG No. 114/30.12.1999, effective 31.01.2000, SG No. 84/13.10.2000, amended, SG No. 28/19.03.2002, amended and supplemented, SG No. 61/21.06.2002, supplemented, SG No. 96/11.10.2002, amended, SG No. 19/28.02.2003, amended and supplemented, SG No. 31/4.04.2003, effective 4.04.2003, SG No. 58/27.06.2003, SG No. 31/8.04.2005, effective 8.10.2005, amended SG No. 39/10.05.2005, No. 42/17.05.2005, No. 43/20.05.2005, effective 1.09.2005, amended and supplemented, SG No. 66/12.08.2005, amended SG No. 103/23.12.2005, effective 1.01.2006, amended and supplemented, SG No. 105/29.12.2005, effective 1.01.2006, SG No. 38/9.05.2006, SG No. 59/21.07.2006, effective as from the date of entry into force of the Treaty of Accession of the Republic of Bulgaria to the European Union - 1.01.2007, amended SG No. 80/3.10.2006, effective 3.10.2006, SG No. 105/22.12.2006, effective 1.01.2007, amended and supplemented, SG No. 59/20.07.2007, effective 1.03.2008, amended, SG No. 92/13.11.2007, amended and supplemented, SG No. 104/11.12.2007, amended, SG No. 50/30.05.2008, effective 30.05.2008, SG No. 67/29.07.2008, supplemented, SG No. 70/8.08.2008, amended, SG No. 100/21.11.2008, SG No. 108/19.12.2008

PRIVATIZATION ACT (1992)**PRIVATIZATION AND POST-PRIVATIZATION CONTROL ACT (2002)**

Promulgated, State Gazette No. 28/19.03.2002, supplemented, SG No. 78/13.08.2002, amended and supplemented SG No. 20/4.03.2003, No. 31/4.04.2003, effective 4.04.2003, modified by Constitutional Court Judgment No. 5/18.04.2003, promulgated, SG No. 39/25.04.2003; supplemented, SG No. 46/20.05.2003, No. 84/23.09.2003, amended SG No. 55/25.06.2004, supplemented, SG No. 115/30.12.2004, effective 1.01.2005, SG No. 28/1.04.2005, effective 1.04.2005, amended SG No. 39/10.05.2005, SG No. 88/4.11.2005, SG No. 94/25.11.2005, effective 25.11.2005, SG No. 103/23.12.2005, SG No. 105/29.12.2005, effective 1.01.2006, amended and supplemented, SG No. 36/2.05.2006, effective 1.07.2006, SG No. 53/30.06.2006, effective 30.06.2006, SG No. 72/1.09.2006, SG No. 105/22.12.2006, amended, SG No. 59/20.07.2007, effective 1.03.2008, SG No. 36/4.04.2008, amended and supplemented, SG No. 65/22.07.2008, effective 22.07.2008, amended, SG No. 94/31.10.2008, effective 1.01.2009, amended and supplemented, SG No. 98/14.11.2008, effective 15.12.2008, amended, SG No. 110/30.12.2008, effective 1.01.2009, amended and supplemented, SG No. 24/31.03.2009

...

SPATIAL DEVELOPMENT ACT (2001)

Promulgated 2001, amended: 28/12/2001, 26/04/2002, 4/03/2003, 22/07/2003, 9/12/2003, 30/04/2004, 27/07/2004, 1/04/2005, 20/09/2005, 27/09/2005, 4/11/2005, 25/11/2005, 29/11/2005, 23/12/2005, 29/12/2005, 7/04/2006, 11/04/2006, 25/04/2006, 5/05/2006, 11/08/2006, 15/09/2006, 29/09/2006, 10/10/2006, 27/12/2006, 29/12/2006, 22/05/2007, 27/07/2007, 28/03/2008, 29/04/2008, 13/06/2008, 5/08/2008, 14/11/2008, 28/11/2008, 23/01/2009, 6/03/2009, 13/03/2009, 9/10/2009, 20/11/2009, 24/11/2009, 23/02/2010, 1/06/2010, 2/07/2010

(total number of amendments – 42 for a period of 9 years)

APPENDIX 19

Integrated Coastal Zone Management (ICZM) in Bulgaria in the 1990s

Source: Based on Bulgaria's reports to the 5th, 6th, and 7th Sessions of the Commission on Sustainable Development.

Spatial planning

Legislation and Regulations

- Law for Urban and Land-use Planning (for urban and territorial arrangement) (1973 *in force with amendments until 1999*)
- Law for the Administrative and Territorial Division, (1995)
- Regulation no. 2 for the norms and rules for the land-use planning of the Black Sea (1994)
- Regulation No. 5 for construction norms and rules (1995)

Administrative structures: The Ministry of Regional Development and Construction is responsible for the urban and land-use planning and the development and construction of the coast. Two ICZM Offices, part of the Ministry, are responsible for the ICZM implementation using the legislative and technical planning tools.

Coastal Policy: Land-use plans of the Bulgarian coastal municipalities regulating the management and development of the territory of the municipality – elaborated in 1997 with the financial support of the World Bank.

Environment

Legislation and Regulations

- Water Law (1961), new Water Act (1999, in force from 2000)
- Law for Protection of the Air, Waters and Soil, (1963)
- Law for the Environment (1991)
- Law for the Purity of the Atmospheric Air (1996)
- Law for the Solid Wastes Treatments (1997)
- Law for the Bulgarian Maritime Territory (1987)
- Regulation no. 8 for the parameters and norms for the quality of the coastal sea waters (1987)
- Regulation no. 2 for the sanitary safeguarding zones around the water sources and facilities for potable water supply for the population (1989)

Administrative Competencies: The Ministry of the Environment and Water is responsible for the environmental management of the Bulgarian Black Sea coast. The ministries of Health and Transport also play a small role.

Nature Conservation

Legislation and Regulations

- Law for Plants Protection (1960)
- Law for the Protection of the Air, Waters and the Soil (1963)
- Law for the Protection of the Nature (1967)
- Regulation no. 4 for the buffer zones around the reserves (1988)
- Law for the Environment (1991)
- Nature Protection Act (amended and supplemented in 1998)
- The Protected Areas Act (1998)
- Forestry Act (1998)

National policies:

- The coastal zone has priority status in national development policies and strategies especially those concerning the protection and preservation of the environment.
- The resources of the National coastal zone have to be preserved, protected, developed and where possible restored and enhanced for this and succeeding generations.

System of Protected Areas

The Protected Areas Act determines the following categories of protected areas in Bulgaria: Reserves, National Parks, Natural Monument, Maintained Reserve, Natural Park and Protected Localities. All the groups are legally defined in some of the environmental laws and regulations as subject to special protection. In addition there are legal provisions for the protection of valuable forests and for the protection of monuments of culture, including historic, archaeological and aesthetic heritage and in the case of the town of Nessebar, it is internationally declared by UNESCO as a moment of culture.

Sectoral Development

Coastal Protection and Rehabilitation : A National Programme for the Reinforcement of Landslides along the Black Sea Coast 1999-2003 and a National Programme against Erosion.

Recreation and Tourism : Ordinance no. 35 for the development of the tourism as priority sector of the national economy, 1990.

Agriculture - Agricultural lands represent the main part of the coastal zone and this sector is very important for the economy

- Law for the property and use of the agricultural lands, 1991.
- Law for the protection of the agricultural lands, 1995.
- Law for the promotion of agricultural products, 1996
- Law for the renting of agricultural lands, 1996.

Framework for Development of ICZM:

A number of documents related to the implementation of ICZM were signed by Bulgaria and were adopted at international and regional level. The leading documents in the process of the definition and implementation of ICZM related activities are the Rio de Janeiro Declaration on Environment and Development with its Agenda 21(1992), The Bucharest Convention (1992) and the Odessa Ministerial Declaration (1993). The basic decision to introduce the ICZM process in the Black Sea coastal zones has been adopted by the Odessa Declaration. This decision has been further elaborated in the Black Sea Strategic Action Plan (1996), and the comprehensive Transboundary Diagnostic Analysis (TDA). These two plans are the basis for further development of actions in the field of ICZM, as well national as international. The United Nations Convention on the Law of the Seas, MARPOL, the ECE Convention, the Danube Convention and the Ramsar Convention have all been signed and ratified as well.

National Achievements in the field of ICZM

Approval of the Regulation no.3/1995 for the management of the Black Sea Coast and the Regulation no.2/1995 for Land-use Norms and Rules for the Black Sea Coast. The boundaries of the coastal zone were also established by these regulations.

- The establishment of an ICZM Network in the country on the national, regional and local level and horizontally among all the stakeholders in the coastal zone;
- The establishment of a prototype of an Auxiliary Commission with representatives of state agencies, regional governors administration, municipalities, NGOs, scientific and professional communities;
- Three pilot projects were prepared and one remained for the local ICZM plan of the area of Asparouhovo-Galata (Varna);
- A national ICZM Report was prepared in 1995; the report was presented to the coastal and national authorities and approved by the Ministry of the Environment;

- The development of a GIS and database was initiated, but the database has to be extended to include all the necessary information for the decision-making process on the municipal level. The new land-use plans of all the coastal municipalities have also been included in the GIS database;
- The Black Sea Coastal Law is prepared and planned in the legislative program of the government for the spring of 2000. This Law introduces some of the principles of ICZM but mainly covers the problems of coastal planning;
- The ICZM implementation plan was prepared based on the document National ICZM Policies and Strategies, and it was included in the Bulgarian National Strategic Action Plan prepared under BSEP;
- A National Waste Management Programme was approved by the Council of Ministers in March 1999. The National Programme comprises an Action Plan and an Investment Programme for the period up to year 2002. It sets out specific institutional and investment measures that are to be initiated in the next four years.

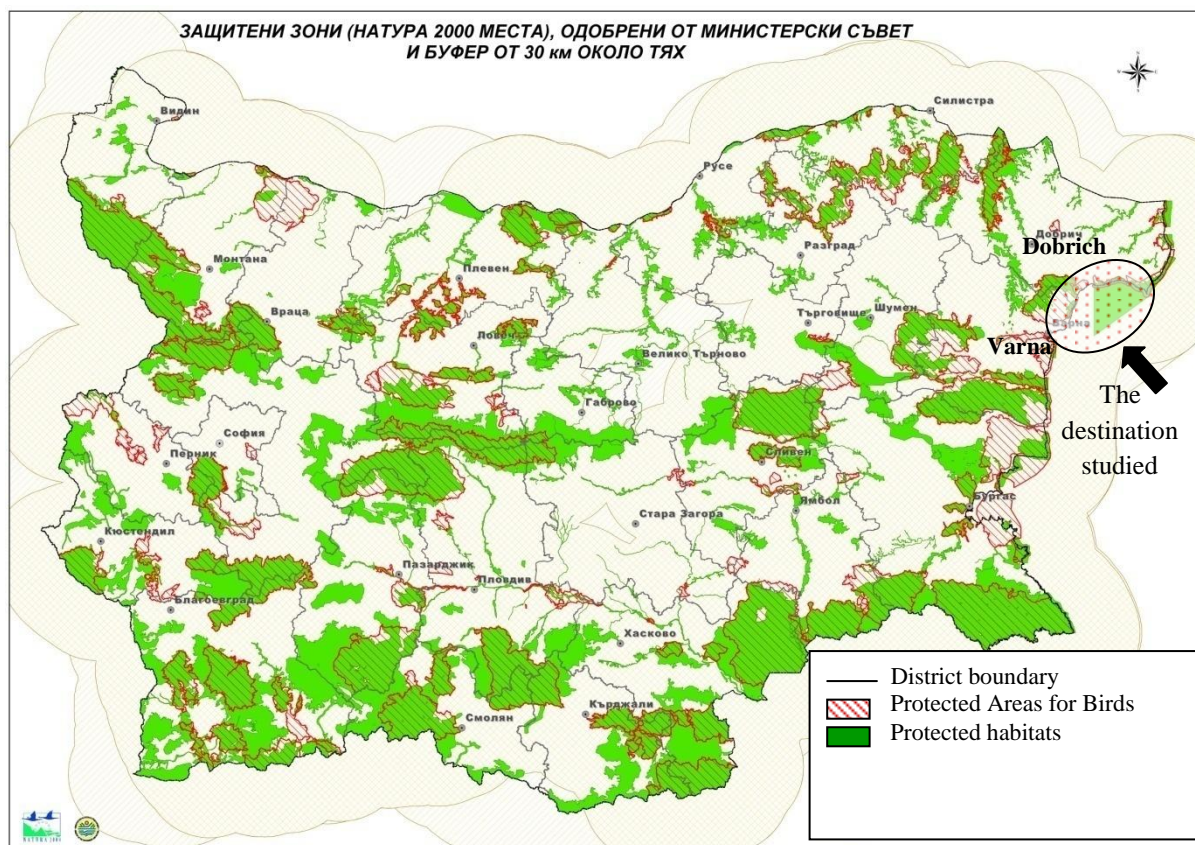
Problems and Constraints for the Development of ICZM

- Lack of co-ordination and ongoing negative attitude towards the environmental problems.
- An insufficient and ineffective definition of the responsibilities of the state agencies and other subjects of authority for different sectors and activities at the coasts, i.e. coastal beach strip, beaches and dunes, coastal lakes, fisheries and some tourism establishments.
- A need for improvement of the implementation and enforcement of the existing and well defined environmental legislation for the area.
- A strong need for new laws or amendments of existing laws.
- A need to strengthen local governments.
- Insufficient real instruments for public participation in the decision-making process for development projects of the coast.
- A need for an adequate planning and development of the environmental and technical infrastructure in the region.
- A need for a structural economical reform in all sectors.
- A need for new tools and procedures for the co-ordination of conflicting sectoral interests and the conflicting interests of all the parties involved in the coastal development and preservation.

APPENDIX 20

NATURA 2000 National network of protected zones

The destination studied on the map of protected zones (NATURA 2000), approved by the Council of Ministers and the 30 km buffer around them.



Source: Project NATURA 2000, Bulgaria,

http://www.natura2000bg.org/natura/bg/zz_mestoobitania.php