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# **BULGARIA'S COVERAGE WITH LOCAL INITIATIVE GROUPS – A SPATIAL ANALYSIS**

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**Abstract:** This research focuses on the innovative LEADER approach within the Common agricultural policy of the EU which is widely used for the decentralized and at the same time integrated development of rural regions in each member state. Theoretically, the LEADER approach is part of the endogenous theory of economic development and plays an important role in achieving the social, economic and now climatic aims as a specific European model of stimulating the inclusion of communities in local development. From a spatial point of view, the LEADER approach has been applied at the level of municipality or unified neighboring municipalities and/or neighboring settlements-part of a municipality/ies with a population between 10,000 and 150,000 inhabitants by local initiative groups (LIG). Bulgaria's Program for the development of rural regions 2014–2020 adopts the national definition according to which rural regions are defined at the municipal level (LAU 1) and comprise the territory of 231 municipalities in which the largest town has a population of 30,000 inhabitants. The analysis of the spatial coverage of rural regions with LIG shows the negative effect of the admission of typically urban municipalities within the territories which receive funding through the LEADER network. To eliminate those inaccuracies in determining the policies for the development of rural regions, we propose and test variants to change this arguable, too streamlined and non-corresponding to scientific thought definition of a rural region.

**Key words:** common agricultural policy, LEADER approach, rural regions, local initiative groups, endogenous theory of economic development.

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<sup>1</sup> The authors' participation is as follows: D. Prodanova – chapters 1,2,3 and 4, St. Prodanov – introduction and conclusion.

This article shall be **cited** as follows: **Prodanov, S., Prodanova, D.** (2022). Bulgaria's Coverage with Local Initiative Groups – a Spatial Analysis. *Economic Archive*, (1), pp. 3-22.

**URL:** nsarhiv.uni-svishtov.bg

**JEL:** H5, H50, H54, O1, O18, R11.

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## **Introduction**

**T**he common agricultural policy (CAP) of the European Union is one of the pillars which support the EU and one of the largest cost entries in the EU budget – the Multiannual Financial Framework (MFF) for the corresponding seven-year planned period. During the last planned periods, the CAP decreases steadily its share in the budget and from nearly 50% a decade ago, currently it is the second largest policy in the EU (after the cohesion one) with a 1/3 share of the MFF. The direct payments and the market support for agricultural producers are the first pillar of the CAP. The policy for the development of rural regions is the second pillar which facilitates the realization of the common agricultural policy in the EU member states. In Bulgaria, the policy is carried out through the Rural Development Programme (RDP), which has been applied in our country for over a decade and a half since we were admitted in the EU. The aims of the Rural Development Programme involve the improvement of the living standard, the level of services in rural regions, the development of agriculture and forestry, the conservation of natural resources, etc. From the point of view of urbanization processes, it is an important balancer and motivator in the efforts to draw together the degree of development of urban areas and rural regions. An important role in achieving the social, economic, and now climatic aims in the Rural Development Policy is played by the LEADER approach, which has been gaining more popularity and trust as a specific European model for stimulating the inclusion of the communities in local development. The enthusiasm of the piloting application and the aspiration to broaden the geography of the local initiative groups since Bulgaria's EU accession have clashed with the problems of the lack of precise definition of "rural region" and the too uneven coverage of the country's territory with local initiative groups. The aims of this research include determining the disadvantages and the inaccuracies which are the result of the definition of "rural region" which has been used so far, performing spatial analysis of the activity of local initiative groups in Bulgaria, as well as formulating a proposal of a new definition which shall solve the amassed problems and will be applied

throughout the next programme period 2021–2027 after the expiration of the current period 2021–2022 r.

### **1. Essence and history of the application of the LEADER approach in Bulgaria**

The LEADER approach is defined as innovative with EU's rural development policy and is used for the decentralized and at the same time integrated development of rural regions in each member state. In spatial terms, the LEADER approach is part of the endogenous theory of economic development initially introduced by Romer and inspired by Nelson and Phelps' theory of technological diffusion (Romer, P., 1986). According to this concept, the engine of growth is the capacity of human capital which determines the economies' capacity to develop technologically as a function of the technological development in a specific economy and an average degree of human capital. The endogenous models of economic growth generate long-term growth without relying on exogenous changes in technologies or population, having constant or increased return of the factors which can be cumulated (**Lucas, 1988**), (Romer, P., 1989), (**Rebelo, 1991**).

The piloting application in the European Union starts in 1991 as a three-year programme which is expanded in 1996 by the name LEADER II—a five-year programme of larger scope and volume. The aim of the LEADER approach is to stimulate innovative approaches for the development of rural regions at local level, usually territories with a population of below 100,000 inhabitants. In Bulgaria, the programme is applied for a second programme period (2014–2020). Currently, its status is active and is carried out under the Rural Development Programme (2014–2020). The next programme will carry out the Strategic Plan for Development of Agriculture and Rural Regions 2023–2027; until then, the previous programme period will be in action (2021–2022) – it will be carried out in accordance with the existing regulations for CAP for 2014–2020.

In spatial terms, the LEADER approach is applied at the level of municipality or unified neighboring municipalities and/or settlements – part of a municipality/ies. Every strategy for the development of the unions encompasses a territory with a population between 10,000 and 150,000 inhabitants (**Ministry of Agriculture, Food and Forestry, 2014, p. 196**). In Bulgaria, these strategies are carried out by local initiative groups (LIG) established in one, two or three municipalities with common boundaries.

The multiannual financial framework for the planned period 2021–2027, adopted on 17 December 2020 amounts to 1.21 trillion Euros with an additional

808 billion Euros from the *next generation EU* recovery tool which addresses the challenges from the COVID-19 pandemic. EU's common agricultural policy (CAP) plans to allocate 386.6 billion Euros of this sum through the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (EAFRD) during the current seven-year period. The strategic plans are directed towards achieving flexibility between the two funds and complying to the European green pact, more specifically, the *Farm to Fork Strategy*. It is expected that 40% of the general costs for CAP will be directed to actions related to climate changes.

According to the proposals of the Commission for the future of the CAP, the actions for rural development will be included within the national strategic plans under CAP after 2023. Thus, the commission strives to create better opportunities so that the actions for rural development respond to current and future challenges, among which are climate change and generation shift as at the same time it shall continue to support European farms for the achievement of sustainable and competitive agricultural sector. The actions for the development of rural regions also contribute to the key priorities and strategies of the Commission such as the European Green Pact and the long-term vision of rural regions (**European Commission, 2021**).

## **2. Definition of “rural region”: theoretical and practical dimensions**

A serious problem can be found in scientific literature, in the practice, and in the field of making political decisions regarding the definition of the term “rural region”. Even though there are numerous normative definitions which facilitate the governments’ policies, determining the boundaries of the rural regions is difficult and leads to controversies. It is extremely difficult, for instance, to determine the spatial scope of rural regions in the cases of villages within municipalities whose centers are urban agglomerations or possess the characteristics of well-developed urban industrial centers. The villages in such municipalities do not differ at all from those in neighboring municipalities; however, the duality in defining the rural region hampers the application of the intervention measures whose design aims at encouraging the development in rural regions.

Wiggins and Proctor point out that there is no precise definition of the term, but rural regions are “clearly and easily identifiable” (**Wiggins & Proctor, 2001**). They refer to the space where the settlement and the technical infrastructure occupy only small portions of the territory; most of them are dominated by fields, pastures, water basins, mountains. The International Fund for Agricultural Development (IFAD) adds to this definition that the inhabitants

of rural regions usually live in ranches or villages of 5–10,000 inhabitants, but it also emphasizes that “the national divisions between rural and urban regions are random and diverse” (IFAD, 2001).

Wiggins and Proctor bring forward three key characteristics of rural regions (Wiggins & Proctor, 2001). The first and most obvious one is the relative abundance of land and other natural resources. Land is relatively inexpensive in the countryside, which is in stark contrast with the prices in urbanized territories. The second one is that there are significant distances among the villages and between them and the cities. There are often additional field obstacles such as rivers, lakes, mountains, etc., which hamper the transportation of goods and passengers among rural regions and cities, which makes it even more expensive. The same difficulties also hamper information flows, which adds new deficiencies in rural regions. The third important characteristic describing a rural region is the poverty of a significant portion of the inhabitants. Average incomes are lower in rural regions than in urban ones, whereas the share of those who live below the poverty threshold is higher. Despite the expectations that the increasing global urbanization will lead to a situation in which most of the poor people in the world will live in urban areas, it remains valid that after nearly half a century of urbanization waves, the majority of poor people in the world live in rural regions.

According to the explanatory dictionary of spatial development of CEMAT, rural areas or rural zones (En. Rural area–countryside, Fr. Zone rurale–campagne) are zones which are sparsely populated, without agglomeration and larger settlements (CEMAT Council of Europe Conference of Ministers responsible for Spatial/Regional Planning, 2007). By rural regions the dictionary means certain types of landscapes and land use in which agriculture and natural territories play an important role.

The economic substance of rural zones has become more and more diverse – what is added to traditional rural livelihood is rural tourism, small-scale production activities, housing economy (old people’s homes), the production of renewable energy, etc. A large number of rural zones are multifunctional, whereas part of them fall in the zone of influence of the metropolitan zones and large cities because of the improvement of transport and communication (Council of Europe Conference of Ministers responsible for Spatial/Regional Planning CEMAT, 2007, p. 30). Rural development has been in the focus of public attention bearing in mind the fact that urban and industrial society dominating Europe for over a century has been neglecting the growth and development of many rural regions and more specifically the peripheral and the most remote ones (Council of Europe Conference of Ministers responsible for Spatial/Regional Planning CEMAT, 2007, p. 31). This underestimation and

neglection has led to a situation of a compelling need of interference and priority of the policies of spatial planning in almost all European member states.

Not all rural regions in Europe are an example of worsening development – in certain zones, tourism, the proximity to urban agglomerations, the diversification of production and services improve the quality of the socio-economic status of settlements. Elsewhere, however, the demographic crisis, the depopulation, the isolation and marginalization continue to occur at threatening rates. Thus, the tasks for the development of rural regions depend on the state of the corresponding territory and can include a complex of activities for improving the accessibility, the life conditions and the environment, preserving the cultural landscape and the cultural and natural heritage, encouraging ecotourism, stimulating small and medium-size towns and large villages and encouraging the promotion of quality craft, forest and agricultural products in those regions which adopt environmentally-friendly production practices (Council of Europe Conference of Ministers responsible for Spatial/Regional Planning CEMAT, 2007, p. 31).

### **3. Spatial analysis of the activity of LIG in Bulgaria**

By applying spatial analysis (geographical method) for assessment of the activities of LIG on a certain territory, we research the target impact areas, the approved projects and local networks (**Konečný, 2019**). Various studies show that there is a trend of concentrating LEADER activities in developed local centers (**Lukić & Obad, 2016**). This paradox requires explanation and reaction by the formation policies in the sector because there are claims that the LEADER approach shall be a method entirely directed towards rural and peripheral regions (**Dargan & Shucksmith, 2008**). With their research in Andalusia, Spain, Cañete, Navarro and Cejudo prove that due to the lack of clear focus of the LEADER approach on the most underdeveloped and discouraged regions, its application in fact leads to an increase in regional differences (**Cañete, Navarro, & Cejudo, 2018**). Masot and Alonso are also convinced that the resources are directed towards small towns and villages with developed sectors of industrial production and services because of their proximity to major cities in the regions and the too flexible definition of the characteristics of rural regions (**Masot & Alonso, 2017**). Margarian thinks that the LEADER approach fails to meet the expectations for lowering the differences in the development of the center and the periphery and cannot compensate the rural regions for their lack of agglomeration advantages (**Margarian, 2013**). The lack of social capital and financial resources namely make the small peripheral villages cooperate within the LIG in order to overcome the difficulties and the limitations (**Št'astná**

**& Vaishar, 2017**). Osti is right to claim that the application of the LEADER approach is a constant struggle for control on the allocation of resources on the related measures between the center and the periphery regardless of the design of those measures and the reason for their adoption (**Osti, 2000**). This spatial analysis will give an answer to the question to what extent the application of the LEADER approach in Bulgaria manages to meet the expectations for support of rural regions mobilizing their internal capacity and whether in this process the resources are indeed directed towards the most deprived and discouraged rural regions.

On the basis of the definition of the Organization for Economic Cooperation and Development (OECD) for rural regions in Bulgaria, the resulting territory at the district level is NUTS III, with density of population of below 150 people per square kilometer. According to this definition, in Bulgaria there are 20 predominantly rural regions (level NUTS III), 7 significantly rural regions and only one predominantly urban region – the capital – Sofia (**EAFDRR, 2008**). The Rural Development Programme in the Republic of Bulgaria 2014–2020 (**Ministry of Agriculture, Food and Forestry, 2014**) adopts the national definition from the RRDP 2007–2013, according to which, rural regions are determined at municipal level (LAU 1) and comprise the territory of 231 municipalities in which the largest settlement has a population of up to 30,000 inhabitants. According to the definition, rural regions occupy 81% of the territory and 39% of the population of the country. The rural regions in Bulgaria comprise not only villages but also a number of small towns (**MAFF, 2014**).

The administrative and territorial division of the Republic of Bulgaria includes 265 municipalities; in 117 municipalities there are LIG which are registered individually or in cooperation with other municipalities. As of this moment, on Bulgaria's territory, there are 64 LIG, out of which 22 LIG include one municipality, 33 LIG include two municipalities and 10 LIG include three municipalities. The area on which the municipalities are settled comprises 52,000 square kilometers (21,000 sq. km. in North Bulgaria and 31,000 sq. km. in South Bulgaria), which is 47.4% of Bulgaria's territory.

The population of the municipalities with LIG as of 31 December 2019 is 2,164,790 inhabitants, which is 23.7% of Bulgaria's population. For the period 2000–2019, Bulgaria's population decreases on average with 0.78% per annum, as its decrease in the municipalities with LIG, which are predominantly small and medium-sized municipalities, is at higher rates – 1.32%. In 2019 compared to 2007, Bulgaria's population decreases by 688,756 inhabitants, whereas the population of the municipalities with LIG by 285,411 inhabitants, as they comprise 41.4% of the total decrease of the population. The rate of the change of the population is as follows: Bulgaria's population decreases by 9.02% in 2019 compared to 2007, the population of the municipalities with LIG

decreases by 14.76%, as trends of higher rates of decrease in the municipalities with LIG are well-pronounced and they surpass by 1.64 times the change for the whole country; this trend is generally characteristic of small and medium-sized municipalities in the country.

Defining rural regions, similar to the decisions of spatial division, shall be based on deep research with the proper scientific tools, the results of which shall be accepted as objective criteria in defining the boundaries of the corresponding territory (**Borisov, Bogdanova, Sirashki, & Parashkevova, 2019**). The relevant definition used in Bulgaria creates quite a few controversies and problems. The general processes of depopulation of the villages and the problems of their social development arise and deepen with the process of urbanization at the same time. The streamlined formulation of “rural regions” provides the opportunity for target funds for the development of rural regions to be directed to well-developed medium-sized towns which deprives the municipalities in need of the crucial resources. What is necessary is a careful reassessment of the current definition, which shall allow the differentiation of municipalities with small and medium-sized towns because the existing one (the town in the municipality shall not exceed 30,000 inhabitants) leads to misinterpretation of the target character of the funds. As a result, every strategy of local development followed by the municipalities comprises a territory with a population of between 10,000 and 150,000 inhabitants (**Ministry of Agriculture, Food and Forestry, 2014, p. 196**), as the bottom boundary is obviously too high and presupposes the generation of the described problems and misinterpretations.

The analysis of spatial coverage of rural regions with LIG shows the negative effect of allowing typically urban municipalities (although there are villages in them which meet the criteria for a rural region) within the range of the territories which receive funding through the LEADER network. To bring such discrepancies forward, we shall compare the parameters of the municipalities with registered and functioning local initiative groups (LIG), the municipalities within the range of the rural regions in the Republic of Bulgaria and the categorization of the municipalities according to the Unified Classification of Administrative-Territorial and Territorial Units (UCATTU) maintained by the NSI (**NSI, 2020**). The register maintains data about the settlements in the Republic of Bulgaria using the common integral assessments of the municipalities and the settlements, which are periodically monitored on the basis of relevant statistical data.

According to the Administrative and Territorial Structure of the Republic of Bulgaria Act (ATSRBA), the municipalities, the quarters, the mayoralties and the settlements shall be categorized by criteria and indices determined by the Council of Ministers for the purposes of the categorization. The MRDPW has developed updated criteria and indices for the categorization of the

administrative and territorial units and settlements adopted by Decision of the Council of Ministers (CM) 921 from 16 December 2011. Monitoring research has been carried out periodically (in 2014, 2016 and 2018) and partial changes have been made in the categorization of the administrative-territorial and territorial units in the Republic of Bulgaria (MRDPW, 2008). The municipalities are categorized in 6 groups (from 0 to 5); the capital of Bulgaria is administratively allocated in category 0, district centers are in category 1, etc. Table 3 shows the allocation of municipalities by categories (NSI, 2020).

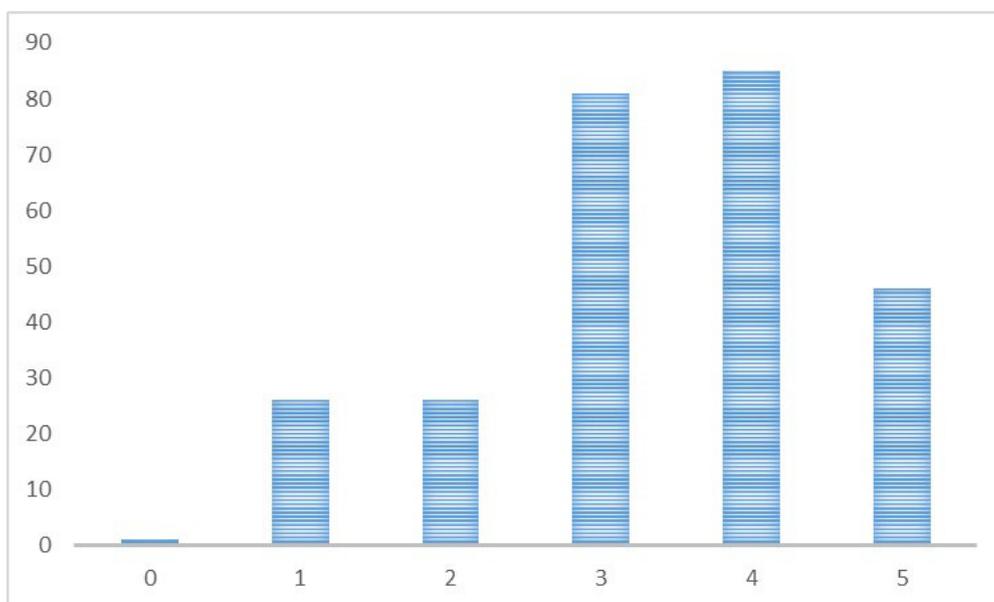
*Table 1*

*Allocation of municipalities by categories according to UCATTU*

<b>Municipality category</b>	<b>Number of municipalities in the corresponding category</b>
0	1
1	26
2	26
3	81
4	85
5	46
	<b>265</b>

**Source:** NSI and author's calculations.

The analysis of the characteristics of the municipalities allocated from category 0 – Stolichna Municipality, Sofia to category 5 – small municipalities, shows that the Unified Classification of Administrative-Territorial and Territorial Units (UCATTU) register, maintained by the NSI (NSI, 2020), does not allow the correct and exhaustive selection of the municipalities that fall in the “rural regions” category. Without doubt, the rural municipalities or the municipalities in rural regions are those in category 4 and 5. To a large extent, those are also the municipalities in category 3. However, in category 2, there are municipalities with diverse characteristics, some of which are dominated by the definition of municipalities in urban agglomerations or with well-developed urban centers. Other municipalities, though, despite the high integral mark that allocates them to this group, are well-pronounced representatives of the rural regions.



Source: NSI and author's calculations.

*Figure 1. Histogram of the allocation of municipalities by categories according to UCATTU*

Table 4 shows the municipalities with arguable definition of a rural region, but falling in the range of rural regions in the Republic of Bulgaria and/or with local initiative groups. In this sample, 1 municipality falls in category 1 (a municipality with a district city as a municipal center), 16 – in category 2, 9 – in category 3 and 1 – in category 4. Some of the selected municipalities do not fall in the List of municipalities in the range of rural regions in the Republic of Bulgaria under Decree 161 of the CM from 4 July 2016 for setting the rules for coordination among the governing organs of the programmes and the local initiative groups and the local initiative fishermen groups in relation to the application of the “Community-led Local Development” approach for the period 2014–2020. (Appendix 3), but despite this, they are not included in LIG. Such municipalities are Kardzali, Asenovgrad and Kazanlak, which by all socio-economic characteristics are municipalities in urban agglomerates or with well-developed urban centers. Other municipalities are well-pronounced seaside, SPA or mountain resorts and shall not be prioritized in their inclusion in the range of rural regions in order not to deprive severely depopulated, border or declining municipalities of their opportunities and resources. Such resorts are the municipalities of Sandanski, Nesebar, Pomorie, Primorsko, Sozopol, Tsarevo, Byala, Balchik, Kavarna, Troyan, Velingrad, Hisarya, and Samokov. These municipalities have sufficient financial resources, administrative and social development capacity which does not make them

competitors under the LEADEER approach to rural municipalities which are in real need.

*Table 2*

***Municipalities with arguable definition of a rural region falling in the range of rural regions in the Republic of Bulgaria and/or with LIG***

Municipality code	Municipal center code	Municipality	District code	District	Municipality category	Municipalities with local initiative groups (LIG)	Municipality falling in the range of rural regions in the Republic of Bulgaria
BLG11	17395	Gotse Delchev	BLG	Blagoevgrad	2		
BLG33	56126	Petrich	BLG	Blagoevgrad	2		
BLG37	61813	Razlog	BLG	Blagoevgrad	2		
BLG40	65334	Sandanski	BLG	Blagoevgrad	2		
BGS01	151	Aytos	BGS	Burgas	3		
BGS15	51500	Nesebar	BGS	Burgas	2		
BGS17	57491	Pomorie	BGS	Burgas	2		
BGS27	58356	Primorsko	BGS	Burgas	3		
BGS21	67800	Sozopol	BGS	Burgas	3		
BGS13	48619	Tsarevo	BGS	Burgas	3		
VAR05	7598	Byala	VAR	Varna	4		
VAR14	20482	Devnya	VAR	Varna	3		
DOB03	2508	Balchik	DOB	Dobrich	2		
DOB17	35064	Kavarna	DOB	Dobrich	3		
KRZ16	40909	Kardzali	KRZ	Kardzali	1		
LOV34	73198	Troyan	LOV	Lovech	2		
MON24	44238	Lom	MON	Montana	2		
PAZ08	10450	Velingrad	PAZ	Pazardzhkik	2		
PAZ20	55302	Panagyurishte	PAZ	Pazardzhkik	2		
PDV01	702	Asenovgrad	PDV	Plovdiv	2		
PDV37	77270	Hisarya	PDV	Plovdiv	3		

SLV16	51809	Nova Zagora	SLV	Sliven	2		
SFO07	5815	Botevgrad	SFO	Sofia	2		
SFO34	58030	Pravets	SFO	Sofia	3		
SFO39	65231	Samokov	SFO	Sofia	2		
SFO43	65869	Svoje	SFO	Sofia	3		
SZR12	35167	Kazanlak	SZR	Stara Zagora	2		

Legend:

	Falls in the category
	Does not fall in the category

Source: NSI, MRDPW, MAFF and author's calculations.

Some of the selected municipalities have a population which exceeds the number which is in the definition of a rural region used in Bulgaria for the programme period 2007–2013 and onwards (table 5). These are the municipalities of Petrich, Sandanski, Kardzali, Asenovgrad, Kazanlak, whose municipal centers are cities with a population by permanent address exceeding 30,000 inhabitants. Some other municipalities (Velingrad, Nova Zagora, Samokov) are close to that boundary and according to a number of other socio-economic characteristics are municipalities in urban agglomerations or with well-developed urban centers.

Another anomaly which is found in the spatial analysis of LIG in the country is the uneven coverage of the rural regions (table 6). In the districts of Vidin and Kuystendil, there is not even one active local initiative group. In the district of Ruse, 14% of the municipalities falling in the range of the rural regions in the Republic of Bulgaria have functioning LIG, in the district of Montana – 20%, in the district of Vratsa – 22%, whereas in the district of Targovishte – 25%. Out of a total of 29 municipalities in North Bulgaria (the districts of Vidin, Vratsa and Montana) only 4 of them have acting LIG, although it is namely this region which needs, to the largest extent, the support of local communities due to the isolation, the peripheral location, the depopulation, the worsening infrastructure, the low economic activity, the lack of administrative capacity and creative initiative. On the other pole, 100% of the municipalities in the district of Yambol falling in the range of the rural regions in the Republic of Bulgaria have functioning LIG, in the district of Veliko Tarnovo – 86%, in the district of Varna – 82%, in the district of Stara Zagora – 78%, whereas in the district of Kardzali – the paradoxical 117%<sup>2</sup>.

<sup>2</sup> With the existing 6 municipalities in the district of Kardzali in the range of the rural regions in the Republic of Bulgaria, 7 municipalities have functioning LIG. The Municipality of Kardzali is not defined as a rural region.

Table 3

***Municipal population, municipal center population and/or characteristics of a resort of municipalities with arguable definition of a rural region falling in the range of rural regions in the Republic of Bulgaria and/or with LIG***

Municipality	District	Category of the municipality	Population by permanent address in the municipality as of 15 December 2021	Population by permanent address in the municipal center as of 15 December 2021	Resort
Gotse Delchev	Blagoevgrad	2	35,626	21,814	
Petrich	Blagoevgrad	2	66,232	40,476	
Razlog	Blagoevgrad	2	21,319	13,035	
Sandanski	Blagoevgrad	2	42,921	30,376	
Aytos	Burgas	3	35,636	24,571	
Nesebar	Burgas	2	27,385	14,000	
Pomorie	Burgas	2	29,166	14,721	
Primorsko	Burgas	3	6,309	3,423	
Sozopol	Burgas	3	13,430	4,846	
Tsarevo	Burgas	3	9,016	6,127	
Byala	Varna	4	3,227	2,085	
Devnya	Varna	3	9,535	8,915	
Balchik	Dobrich	2	21,534	13,259	
Kavarna	Dobrich	3	15,489	12,145	
Kardzali	Kardzali	1	132,117	65,989	
Troyan	Lovech	2	31,442	22,967	
Lom	Montana	2	29,018	24,537	
Velingrad	Pazardzhik	2	38,757	25,496	
Panagyurishte	Pazardzhik	2	24,593	17,887	
Asenovgrad	Plovdiv	2	71,291	59,196	
Hisarya	Plovdiv	3	11,590	7,619	
Nova Zagora	Sliven	2	41,485	26,346	
Botevgrad	Sofia	2	33,921	22,315	

Pravets	Sofia	3	7,663	4,333	
Samokov	Sofia	2	37,528	28,685	
Svoje	Sofia	3	18,723	7,822	
Kazanlak	Stara Zagora	2	80,498	54,675	

Legend:

	Falls in the category
	Does not fall in the category

Source: NSI, MRDPW, MAFF and author's calculations.

Table 4

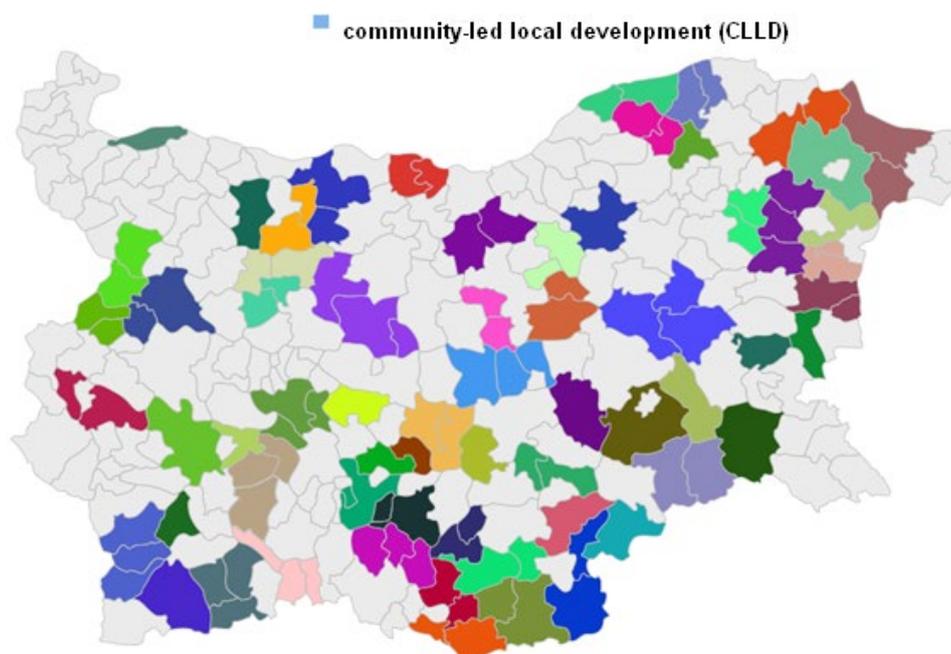
**Coverage of the municipalities with LIG by districts**

District	Number of municipalities in the district	Municipalities in the range of the rural regions in the Republic of Bulgaria	Local initiative groups (LIG) and municipalities with LIG in Bulgaria	Coverage of the municipalities in the district with LIG
Blagoevgrad	14	13	8	62%
Burgas	13	12	4	33%
Varna	12	11	9	82%
Veliko Tarnovo	10	7	6	86%
Vidin	11	10	0	0%
Vratsa	10	9	2	22%
Gabrovo	4	3	2	67%
Dobrich	8	7	5	71%
Kardzali	7	6	7	117%
Kyustendil	9	7	0	0%
Lovech	8	7	5	71%
Montana	11	10	2	20%
Pazardzhik	12	11	7	64%
Pernik	6	5	2	40%
Pleven	11	10	6	60%
Plovdiv	18	16	9	56%
Razgrad	7	6	3	50%
Ruse	8	7	1	14%
Silistra	7	6	3	50%

Sliven	4	3	2	67%
Smolyan	10	9	5	56%
Sofia district	22	22	8	36%
Stolichna	1	0	0	
Stara Zagora	11	9	7	78%
Targovishte	5	4	1	25%
Haskovo	11	9	6	67%
Shumen	10	9	3	33%
Yambol	5	4	4	100%
Total:	265	232	117	

Source: NSI, MRDPW, MAFF and author's calculations.

It turns out that some of the most deprived peripheral regions are either absent or poorly presented on the map of coverage with local initiative groups. Such regions are the North-West, the South-West (without Sofia and Sofia District), North-Central and the border territories of the South-Eastern one. At the same time, the LIG have well-developed urban agglomerations in many seaside municipalities as well.



Source: (Information System for Management and Monitoring 2020).

Figure 2. Map of LIG on the territory of the Republic of Bulgaria.  
Community-Led Local Development (CLLD)

#### 4. Proposal for amending the definition of rural region

To eliminate the demonstrated weaknesses, problems and inaccuracies in the establishment of policies for the development of rural regions and the allocation of European and national resources for the achievement of the aims of the community-led local development, we shall amend the definition of a rural region which is arguable, too streamlined and non-corresponding to the scientific thought.

The first variant is to amend the definition as instead of the population in the municipal center, we shall limit the population in the municipality as it shall not exceed 30,000 inhabitants. At simulating the representative sample, 12 out of the 27 municipalities would be excluded from the rural regions. However, this could be a problem for those municipalities which comprise only villages which have more than 30,000 inhabitants and shall not lose access to their participation in the LEADER network.

The second variant is to amend the definition by additionally limiting the population in the municipal center under the too high threshold of 30,000 inhabitants under the current definition. At simulating the representative sample, 13 out of the selected 27 municipalities with arguable categorization would be excluded from the rural regions if the threshold were fixed to 20,000 inhabitants and 14 – if the threshold were fixed to 15,000 inhabitants. A possible problem with this amendment would be leaving the pronounced resorts within the boundaries permissible for intervention and funding under LEADER. This can be solved by adding a requirement that the municipality shall not be in the list of resorts of the Republic of Bulgaria. The simulation of this variant would eliminate 23 out of the selected 27 municipalities with arguable categorization leaving only the municipalities of Razlog, Devnya, Svoge and Pravets from the representative sample in the range of the rural regions. After the census of 2021, the trends of the ongoing depopulation in most districts and in a large number of settlements secure the plausibility and reliability of variants 1 and 2 by limiting the population of the municipal center to no more than 15,000 inhabitants.

The third variant is to include explicitly in the Categorization of the administrative-territorial and territorial units the definition of the belonging of a certain municipality to the rural regions. The used method of categorization makes a ranking of the municipalities and the settlements by the value of the total integral assessment according to their capacity and its realization in compliance with the determined set of criteria and the indicators that describe them (**MRDPW, 2008**). Drawing up a characteristic which describes processes of substantial social significance such as belonging to rural regions could objectivize the complex impact of factors through plausible and constantly

updated information which characterizes in more details the trends for the development of the municipalities and the settlements.

For the purposes of objectively determining the belonging of a certain municipality to the rural regions we shall refer to the following key characteristics of rural regions (**Wiggins & Proctor, 2001**), on the basis of which the most appropriate strategic indicators shall be selected. Using the following characteristics objectivizes the definition of rural regions:

1. Abundance of land in agricultural or forest fund. This could differentiate the land in the rural regions from that in the urbanized territories by the significantly less expensive price, as well as by the density of the population which is much higher in the urban zones. Owing to this characteristic, we can outline the following parameters: “average price of land” and/or “density of the population in the municipality”.

2. Availability of significant distances and additional obstacles on the terrain among the villages and between the villages and the towns creating logistic difficulties in the transportation of goods and passengers in the rural regions. Owing to this characteristic, we can outline the following indicators: “density of the transportation network” and “the availability of road network”. The density of the transportation network (including the republican and the municipal one) in our country is for instance 0.362 km/sq. km and 0.558 km/inhabitant (**European commission, 2017, p. 27**).

3. The average incomes are lower in the rural regions than in the towns/cities, whereas the share of people living below the poverty threshold is higher. Owing to this characteristic, we can outline the following indicators: “average annual salary of employed persons”, “level of unemployment”.

## **Conclusion**

This article has presented the endogenous LEADER approach in the EU’s policy for the development of rural regions and used the decentralized and at the same time integrated development of rural regions. The aim of the LEADER approach is to stimulate innovative approaches for the development of rural regions at local level. In Bulgaria, the LEADER approach is applied at municipal level or the unified neighboring municipalities and/or neighboring settlements – part of a municipality/and of local initiative groups established in one, two or three municipalities with common boundaries.

We have clarified the state of the LEADER network and the functioning LIG in Bulgaria. Special attention has been paid to the so called “white fields on the map” – the regions in which despite the necessity of functioning partnerships which shall exploit the LEADER approach for the purposes of the

development of rural and especially peripheral regions, there is nearly a total lack of functioning LIG.

There is a serious problem regarding the definition of the term “rural region”. Although there are a number of normative definitions facilitating the policies of the governments, the definition of the boundaries of the rural regions is difficult and leads to controversies. In this article, we have performed a spatial (geographical) analysis of the coverage of Bulgaria with LIG. In its current state, the application of the definition of rural region for practical aims leads to the direction of funds for the development of rural regions towards urban agglomerations, national resorts and even district centers. We have proposed approaches for solving the problem with the definition of a rural region by testing three variants with simulation in the representative sample of LIG.

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*In 2022, the journal will be printed using a financial grant from the Scientific Research Fund – Agreement № KP-06-NPZ-69 from Bulgarska Nauchna Periodika – 2022 competition.*

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