

# **Overview**

Vidin is one of the economically least developed districts in the country. Despite the positive change in the labor market in the previous year, salaries and living standards have stayed low. High EU fund utilization rate fails to compensate for the scanty private investment; what is more, suspicions of embezzlement have arisen around one of the main projects. Low rates of local taxes and fees are not enough to create a good business environment, while the unsatisfactory infrastructure and the lagging development of administrative services work against it.

Vidin is the district with the most clearly expressed negative

demographic tendencies in Bulgaria and the only one whose average annual population is already below 100,000 people. The quality of school education is relatively good but the share of dropouts is increasing and the coverage of the educational system is shrinking. There are enough general practitioners in the district, though somewhat insufficient number of specialists. The justice system is relatively efficient but the crime rate rose slightly in the previous year. Vidin remained the single district in the country without a wastewater treatment plant in 2016. Culture activities have gradually become more intensive.



# ECONOMIC DEVELOPMENT

#### Income and Living Conditions •

Vidin is one of the districts with the lowest GDP per capita: 6,034 BGN vs. the national average of 11,574 BGN. The low rate of economic development has affected the size of incomes as well. In 2014 the average annual salary of employed in the district was 6,663 BGN, which is nearly 1/3 lower than the national average. In 2015, the average annual income per household member was lower only in Montana, Kardjali, and Silistra. Incomes from salaries were barely 45% of the total income of an average household in the district vs. 57% for the country.

In recent years, the share of the population living below the national poverty line gradually decreased, but still remaining nearly twice higher than the national average (38.1 and 21.1%, respectively). The share of people living in material deprivation was 38.4% vs. 33.1% in Bulgaria.

### ▲ Labor Market ●●●●

In the last few years, the state of the labor market has gradually been improving in the district of Vidin. Though unemployment grew to reach 22.2% in 2014, the chief catalyst of this process was not the loss of jobs but the rising economic activity of the working age population.

The employment rate of the population aged 15 to 64 reached 58.8% in 2015. Though the figure was lower than the national average (62.9%), it was a record high for the district itself in the last 15 years. The only district in the Northwestern region with a higher share of employed people of working age is Pleven (61.2%).

The improving demographic replacement ratio and the growing share of people with higher education in the work-force in the last two years precondition the continuation of these positive tendencies, provided that new jobs continue to be created.

### 📥 Investment 🛛 🗨

Vidin is one of the districts with the smallest number of non-financial enterprises relative to the population. In 2014, company expenditures on the acquisition of fixed tangible assets reached 87 m BGN, one of the highest figures in the last 15 years. Still, Vidin, Montana, and Pernik are the only three districts with less than 1,000 BGN per capita in FTA acquisition. After a certain rise between 2009 and 2012, foreign direct investment in the district shrank by almost 10 m euro in the last two years.

At the same time, Vidin (alongside Gabrovo, Lovech, and Burgas) is one of the four districts with the highest EU fund utilization rates. There are doubts, however, that some of Vidin municipality's leading projects have been subject to EU funds misuse. On the whole, municipalities in the district have absorbed a total of 92.6 m BGN as beneficiaries of EU operational programs. The municipalities of Vidin and Belogradchik have achieved the highest utilization rates, while those of Novo Selo and Gramada have the lowest, the latter being the single municipality in Bulgaria with no funds utilized as a beneficiary of EU operational programs.

#### 🛱 Infrastructure 🛛 🗨

Despite some positive trends in recent years, infrastructure development in the district of Vidin has lagged behind the national average levels.

Road network density in the Vidin district (20.3 km per 100 sq. km) is higher than the national average (17.8 km per 100 sq. km). Yet, the share of first class roads is only 12% (vs. 18% nationally), while the share of road surfaces in good condition is lower than the national average of 40.7% by 8.4 pp.

In 2015, less than half of the households in Vidin district (48.0%) had internet access and fewer than half the people aged 16 to 74 (49.0%) used the internet during the year. The national average figures for that year are 59.1 and 60.3%, respectively.

#### % Taxes and Fees ••••

Most local taxes and fees in the district's municipalities are relatively low. This is the fifth successive year when the annual license tax for retailers in the district has been the lowest in the country. The same holds true for the vehicle tax since 2016.

The only municipality that raised the rates of local taxes and fees in 2016 is that of Belogradchik, where the immovable property tax for legal entities and the household waste collection fee were raised.

### 🛎 Administration 🌘

Vidin is the district rated lowest in this category. The district holds the last, 28th place in the country for active transparency of local administrations in the AIP Foundation rating. In the Local Integrity System Index of Transparency International it ranks 26th among all the 28 districts of Bulgaria. The municipal administrations' self-evaluation shows that the development of electronic services and one-stop shop services hold some of the lowest rankings in the country.

In 2015, cadastral map coverage was already 8.2% of the district's territory (2.1% the previous year) but coverage remains far below the national average rate of 19.8%.

# SOCIAL DEVELOPMENT

#### IIII Demography 💿

Vidin is the district with the most clearly expressed negative demographic trends in the country and it is the only one with annual average population below 100,000 people.

Since 2011 Vidin has been one of the four districts where for every person aged 14 or less there are over two persons aged 65 or more. The other districts with similar trends are Gabrovo, Kyustendil, and Pernik. If current trends continue, as early as 2017 there will be a ratio of two persons aged 65 or more to one person of working age (15 to 64).

Having in mind the population's unfavorable age structure it is no surprise that Vidin is the district with the least favorable natural growth rate (-16.7% in 2015 vs. -6.2% for the country). The net migration rate is also negative: every year there are more people leaving the district than people settling in it.

The district is somewhat sparsely urbanized: in 2015, 63.7% of the population lived in urban areas vs. the average 73.1% for the country.

### Education ••

In recent years, there has been deterioration in some of the indicators characterizing the coverage of the educational system. The relative share of dropouts from primary and secondary education reached 4.0% in the 2014/2015 school year, which is the sixth highest rate after those of Dobrich (5.0%), Targovishte (4.9%), Sliven (4.8%), Pazardjik (4.5%), and Razgrad (4.3%). The net enrolment rate in 5th to 8th grade continued to fall in the 2015 /2016 school year, while the share of repeaters went on rising.

Despite these negative trends, the quality of school education in the district is relatively good. In 2016, the average grade at the matriculation exam in Bulgarian language and literature for high school graduates in the district of Vidin was good 4.20 - a figure close to the national average, similar to those in recent years. The share of failing grades at the same exam (6.1%) was lower than the national average of 8.7%.

Vidin is one of the five districts in the country, where there are no higher education institutions.

### + Healthcare •••

Vidin is one of the districts with the best rate of GPs relative to the local population. Yet, there has been noted a certain shortage of medical specialists. The latter, together with the low rate of hospital beds relative to the population, accounts for the small number of hospitalizations in general hospitals in the district.

In 2015, the district registered the lowest infant mortality rate: 5.3% compared to over 10% in the period 2012–

2014. Health-insured were 91.5% of the local population vs. 88.5% on average for the country.

### Security and Justice ••••

In 2015, the share of pending criminal cases fell to 7.9%, which is below national average levels for the first time since 2009. This was probably due to the continuing decline in criminal judges' workload. In 2015, each criminal judge at the district court had 4.9 cases per month on average vs. the national average workload of 8.3 cases per month. 92% of the criminal cases were closed within three months (vs. 88.1% nationally).

In 2015, there were registered 14.4 crimes per 1,000 people, while the national average figure was 13.6 crimes per 1,000 people. However, this was the case only during the last two years of a ten-year period, when the crime rate in the district went over the average levels. The share of solved crimes rose for a second successive year to reach 38.1%, but the clearance rate was still lower than the national average of 39.2%.

### Environment

The construction of the first WWTP in the district of Vidin started in 2014 but the project was terminated because of suspected misuse of EU funds. That is why in 2016 Vidin is still the single district in Bulgaria without a working WWTP.

The relatively low rate of urbanization in the district is an obstacle to the faster growth of the population's connectedness to public sewerage systems. In 2014, 56.8% of the population lived in areas with public sewerage systems vs. the national average figure of 74.9%.

The air in Vidin district is relatively clean. The level of carbon dioxide emissions into the atmosphere is 142.9 t/sq. km (vs. 314.5% for the country).

## 😼 Culture 🛛 🗨

Cultural life is relatively active in the district of Vidin: there are only three districts in northern Bulgaria (Ruse, Veliko Tarnovo, and Gabrovo) that have been rated higher than Vidin in this category.

The number of visits to the local libraries, theatres and museums is higher than the national average. Since 2014 going to the cinema has also become an option in the district, registering a growing number of visits: 34,400 in 2015 compared to 13,000 in 2014. Thus, the number of registered visits to cinemas reached the number of visits to local theatres in only two years. Relative to the local population, this means 373 visits per 1,000 people vs. 744 visits per 1,000 people in Bulgaria.

# Key Indicators for the District of Vidin

Indicators of economic development	2010	2011	2012	2013	2014	2015
GDP per capita (BGN, current prices)	5,112	5,471	5,565	5,876	6,034	n.a.
Average annual income per household member (BGN)	2,794	3,052	3,615	3,614	4,383	3,677
Average annual gross salary (BGN)	5,422	5,532	5,855	6,195	6,663	n.a.
Relative share of people living below the national poverty line (%)	45.5	42.1	39.1	38.1	n.a.	n.a.
Annual average economic activity rate of the population aged 15 to 64 (%)	57.5	62.5	63.2	67.5	71.0	72.3
Annual average employment rate of the population aged 15 to 64 (%)	50.0	50.0	52.2	55.6	55.3	58.8
Annual average unemployment rate of the population aged 15 to 64 (%)	13.1	19.8	17.4	17.7	22.2	18.8
Relative share of the population aged 25 to 64 with tertiary education (%)	18.9	18.1	15.7	14.6	17.2	21.5
Number of non-financial enterprises per 1,000 people	33	32	32	32	32	n.a.
Expenditure on the acquisition of fixed tangible assets per capita (BGN)	492	874	1,156	692	925	n.a.
Cumulative FDI to non-financial enterprises per capita (EUR)	312	329	622	628	560	n.a.
Relative share of households with internet access (%)	27.7	46.6	33.7	44.0	45.4	48.0
Share of roads in good condition (%)	43.4	30.0	29.4	32.3	34.2	32.3
Share of territory included in cadastral maps (%)	2.1	2.1	2.1	2.1	2.1	8.2

Indicators of social development	2010	2011	2012	2013	2014	2015
Rate of natural increase (‰)	-14.8	-15.2	-16.0	-14.3	-15.2	-16.7
Net migration rate (‰)	-6.2	-1.9	-3.8	-7.1	-7.0	-6.3
Average grades at state matriculation exams	4.3	4.5	4.1	4.2	4.2	4.2
Percent of failed students at state matriculation exams ("average" 3.00)	3.6	1.9	8.3	4.8	3.7	6.1
Net enrolment rate of the population in 5th-8th grade (%)	77.8	80.4	80.0	79.2	78.4	77.9
Health insured persons as share of the population (%)	86.7	89.8	89.1	88.4	89.8	91.5
Cases of hospitalization in general hospitals per 1,000 people	143	150	148	162	166	168
Registered crimes against the person and property per 1,000 people	17.5	15.1	13.9	14.5	13.8	14.4
Clearance rates for crimes against the person and property registered during the year (%)	49.3	42.2	35.5	34.5	36.1	38.1
Share of pending criminal cases (%)	8.2	10.5	10.0	10.0	13.1	7.9
Share of the population living in settlements with public sewerage systems, connected to WTTP (%)	0.0	0.0	0.0	0.0	0.0	n.a.
Carbon dioxide emissions into the atmosphere (t/km2)	231.7	231.7	245.5	142.9	142.9	n.a.
Number of visits to cinemas per 1,000 people	0	0	0	0	138	373
Number of visits to theatres per 1,000 people	238	257	280	336	342	382