

Smolyan District

▶ Population (2018)	106,352
▶ Territory (sq. km)	3192.8
▶ Number of settlements	242
▶ Share of urban population (%)	56



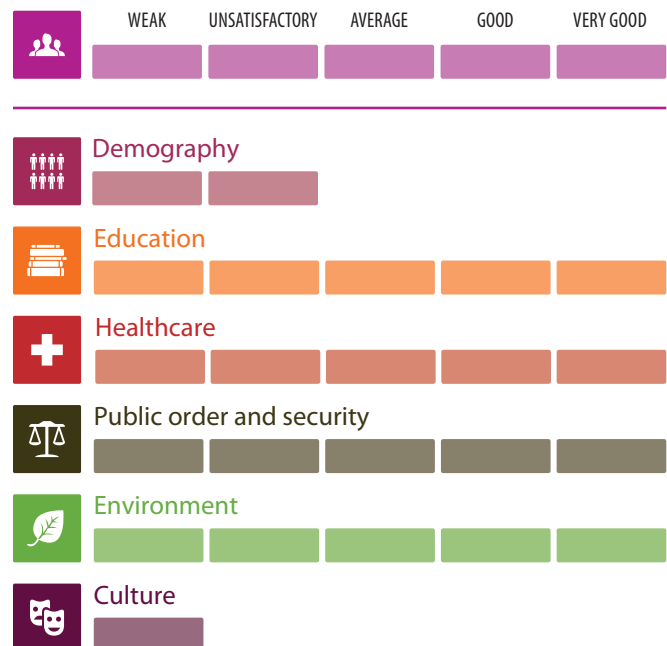
In 2017, after the stagnation from the previous year, a faster growth in Smolyan's GDP followed. It was accompanied by an increase in population income, where the average income per household member was among the highest in the country. As a result, poverty in the district dropped to reach below-national average values. Despite the relatively higher unemployment level, both economic activity and employment were above average. The good educational structure of the population, characterized by a relatively small number of people with primary and lower education, was also a positive influence. Company investment activity was below average, and foreign investment was low. Infrastructure, too, was a limiting factor for the local economy, but that could be explained to a certain extent with the specifics of the local geography. The improvement of the performance of lo-

cal administration can turn into a serious advantage for the district in providing a competitive business environment. Smolyan is one of the districts with the most rapidly ageing populations. Despite the demographic limitations of a low natural growth and poor urbanization, public services in the district remain well developed. Education is still characterized by good results and sufficient resources. Bearing in mind the district's proximity to the border, its healthcare system is also performing well with medical personnel supply close to average and the lowest infant mortality in the country. Law and order enforcement systems operate in conditions of low crime rates and high crime detection rates. The low workloads of judges do not have a negative impact on the quality and speed of justice administration. Environmental conditions in the district of Smolyan are very good.

ECONOMIC DEVELOPMENT



SOCIAL DEVELOPMENT



ECONOMIC DEVELOPMENT

Income and living standard

After several years of unstable dynamics, in 2017, GDP in the district of Smolyan grew by almost 13% to reach 9,472 BGN/person. The living standard also kept improving with a sustained growth of salaries, although the latter rose at a pace slower than the average in the country, remaining among the lowest in Bulgaria. The annual average income per household member, however, was considerably higher than the national average rate reaching 6,127 BGN (versus 5,586 BGN in the country as a whole). As a result, poverty in the district reported a significant decline, whereas the share of the population living in material deprivation was barely 14.3%: only the districts of Gabrovo, Dobrich, and Sofia (capital city) registered lower shares. The population living below the poverty line was 20.9% while the national average was 22%.

Labor market

Though unemployment in the district remained relatively high and was still twice the national average rate (10.5% compared to the national average of 5.3%) the population's economic activity remained above average. In 2018 it reached 75.6% of the working age population (compared to the national average rate of 71.5%). Employment rates declined slightly after a few years of rapid growth until 2017 to reach the national average rate of 67.7%.

The labor market has a favorable educational structure of the population with only 15.3% of the population aged 25–64 with primary or lower education versus the national average of 17.4%. College graduates as part of the workforce constituted a lower share than the national average: 22.5% of the population. Yet, Smolyan ranked immediately after the best ten districts in this metric.

Smolyan suffers from a strong tendency for population ageing, which could affect negatively the labor market prospects. In 2018 the district registered the lowest ratio of demographic replacement, 43.2%, which implies that during the next five years those leaving the labor market will be replaced by half as many young people entering it.

Investment and economy

Generated GDP per capita in the district of Smolyan was only about 68% of the respective average for the county, but that ranked the local economy tenth in Bulgaria. Investment activity is limited in Smolyan, accompanied by little foreign investor interest. In 2017, FDI reached 765 EUR/person versus the national average rate at 3,459 EUR/person. There were 48 active non-financial enterprises in the district versus an average of 57 in Bulgaria. FTA investment expenditure registered a sharp decline from 3,473 to 1,511 BGN/person, while the national average rate was 2,491 BGN/person in 2017. Production value at

13,955 BGN/person ranked the district 14th on this indicator, as the national average rate was 23,764 BGN.

The district of Smolyan registered serious growth in utilized funds from European projects, which reached 1,485 BGN/person in 2019. The municipality with the highest utilization of EU funds was that of Rudozem, while that with the lowest rate was that of Banite.

Infrastructure

The geographic location of the district of Smolyan near the border, as well as its mountainous terrain, determines the relatively poor development of the infrastructure in it. There are neither railway lines nor highways or first-class roads in the district, and that impedes movement in it. The road network has a density of 16.9 km/100 sq. km territory versus the national average rate of 17.9 km. The quality of road surfaces is relatively high with 49.1% of it in good condition. In tune with nationwide tendencies, the share of households with internet access increased fast to reach 73% in 2018. In general, poorly developed infrastructure creates objective obstacles to the district's possibilities for economic development.

Local taxes

The average level of local taxes on property transfer and those on the real estate of legal entities is comparable to the national average level. The remaining local taxes such as taxes on vehicles, retail trade, and taxi transportation are below national average rates. Though municipalities have similar rates, those in the Chepelare municipality are slightly above, while those of the Smolyan municipality are slightly below them.

Administration

In the last three years the local administration's self-evaluation concerning the development of electronic government and one-stop-shop services went up, but is still below national average levels. Cadastral map coverage has also been lagging slightly behind the national average to reach 68.8% of the district territory versus the national average rate of 72.4%.

The Active transparency rating of municipalities in the district of Smolyan rose to 67% in 2019, still below the national average of 70.7%. The lowest rating was that of the Rudozem municipality (36.6%) while the highest was in Zlatograd (almost 88%), which was a considerable improvement compared to the 65.5% registered in 2018.

SOCIAL DEVELOPMENT

Demography

Smolyan has one of the fastest-ageing populations in the country. The age dependency ratio (the ratio between persons aged 65+ and those aged 0–14) is 207.3, i.e., one child corresponding to two seniors. In the last eight years the age dependency ratio has seen continuous deterioration.

The natural population growth rate in the district is negative, -9.4% , compared to the national average rate at -6.5% . The reason for this rate being less favorable is the very low birth rate: in 2018 Smolyan had the lowest birth rate in the entire country. The net migration rate was also exceptionally negative with negative migration flow consistently the highest among all districts in Bulgaria, although in 2018 there was a slight improvement on the double-digit values from previous years: -8.1% .

Smolyan is one of the least urbanized districts in the country; only 56.1% of the population live in cities, as large number of villages and small towns are the norm. Still, population density is not low.

Education

The district of Smolyan has continued to be one of the districts with the best educational indicators. In 2018 the net enrolment rate in 5th–8th grade was among the highest in the country: 91.8% versus the national average rate of 87.4%. The district has the greatest number of teachers: 119 per 1,000 pupils due to the existence of numerous small schools under state protection because of its geographic specifics and low urbanization. The system was coping very well with keeping children in school in 2017: the share of dropouts was 0.95%, while the national average rate was 2.98%.

Educational results in Smolyan have stayed high despite a small deterioration in comparison with the previous year. The share of poor grades at the matriculation exam in Bulgarian language and literature in 2019 was 4.2% or twice lower than the average rate in the country; that rate was lower only in the capital. The district's average grade was "good" 4.19 (compared to the national average grade of "good" 4.06), which ranked Smolyan fourth in the country.

There are two branches of higher education institutions in the district of Smolyan: one of Varna Free University and one of Plovdiv University "Paisiy Hilendarski". That allows the district to report 13 college students per 1,000 people (compared to 32 on average for the country).

Healthcare

The share of people with health insurance is almost 95% of Smolyan's population. In 2018 one GP served an average of 1,587 people (compared to an average of 1,673 in the country), while a medical specialist served 512 people (compared

to an average of 424 in the country). Smolyan also has a sufficient number of beds in general hospitals: 5.22 per 1,000 people compared with an average of 5.34 for Bulgaria. On the other hand, the annual number of hospitalized patients was relatively high: 224 per 1,000 people, and retained that level in the last three years. The 2018 infant mortality rate of 1.5‰ was the lowest in the country, where the national average rate was 5.8‰.

Public order and security

The workloads of criminal judges in the district of Smolyan were among the lowest in the country. In 2018 a judge saw an average of 5 cases a month versus the national average rate of 9.2 cases. The only places where judges had lower workloads were Targovishte and Pernik. Still, pending criminal cases in 2018 were only 6.6%, and that share has been on the decline in the last three years. The share of criminal cases closed within 3 months was 89.9% – very close to the national average rate of 90.2%.

The district of Smolyan has also enjoyed the lowest number of registered crimes against the person and property in the country: 5.1 per 1,000 people, while crime detection rate has been among the highest: 73.6% versus the national average of 48.9%.

Environment

72.6% of the district's population live in areas with public sewerage systems, which is a relatively high share, having in mind the low level of urbanization in it. Smolyan has much to do in terms of building sewerage connected with wastewater treatment plants: current coverage is only 42.9% of the district's population (versus an average of 63.4% nationwide).

Environmental conditions in the district of Smolyan are at a very high level. Generated household waste went down to 251 kg/person in 2017, the lowest in the country, where the national average was 435 kg. The district has traditionally reported a low level of carbon dioxide emissions into the atmosphere.

Culture

The district's cultural life is characterized by low intensity, one of the reasons being the limited number of cultural institutions operating in the district. Cinemas reported 134 visits per 1,000 people in 2018 (versus 695 nationally) as the district had a single cinema. Theater visits increased to 119 per 1,000 people or almost a third of the average rate for the country. Libraries and community centers were visited 192 times per 1,000 people in 2018 or three times less than the national average rate.

Key indicators for the district of Smolyan

Indicators of economic development	2014	2015	2016	2017	2018
GDP per capita (BGN, current prices)	7,583	8,557	8,636	9,742	n.a.
Average annual income per household member (BGN)	5,315	5,419	5,618	6,127	n.a.
Average annual gross salary per employed person (BGN)	7,253	7,679	8,504	9,133	n.a.
Share of the poor relative to the country poverty line (%)	34.0	24.1	26.9	20.9	n.a.
Economic activity rate of the population aged 15–64 (%)	76.1	77.2	74.1	76.8	75.6
Employment rate of the population aged 15–64 (%)	61.2	63.9	63.6	68.1	67.7
Unemployment rate of the population aged 15–64 (%)	19.4	17.2	14.1	11.2	10.5
Share of people with tertiary education aged 25–64 (%)	21.0	21.7	23.2	23.8	22.5
Number of non-financial enterprises per 1,000 people	45	47	48	48	n.a.
Expenditure on fixed tangible asset acquisition (BGN per capita)	1,775	1,843	3,473	1,511	n.a.
Cumulative foreign direct investment in non-financial enterprises (EUR per capita)	653	752	758	765	n.a.
Share of households with Internet access (%)	55.4	52.3	59.9	56.5	73.0
Share of roads in good condition (%)	49.5	54.5	55.5	49.6	49.1
Cadastral map coverage (%)	32.1	32.1	32.1	32.1	68.8

Indicators of social development	2014	2015	2016	2017	2018
Natural growth rate of the population (‰)	-7.8	-8.2	-8.0	-9.5	-9.4
Net migration rate (‰)	-11.6	-12.9	-11.9	-10.4	-8.1
Average grade at the matriculation exam in Bulgarian language and literature	4.42	4.37	4.26	4.42	4.33
Percent of grades lower than 3.00 (pass level) at the matriculation exam in Bulgarian language and literature	3.4	2.5	6.5	3.4	3.0
Net enrolment of the population in 5th–8th grade (%)	82.4	83.3	81.1	90.8	91.8
Share of people with health insurance (%)	91.6	94.4	95.1	94.4	94.6
Hospitalizations per 1,000 people	211.9	213.6	224.8	219.6	224.0
Registered crimes against the person and property per 1,000 people	5.4	6.1	5.6	6.1	5.1
Clearance rate for crimes against the person and property from those registered in the current year (%)	53.5	56.7	73.6	68.7	73.6
Share of pending criminal cases from those registered in the current year (%)	8.2	5.2	7.5	6.8	6.6
Share of the population with access to sewerage connected to wastewater treatment plants (%)	39.5	42.0	42.4	42.9	n.a.
Carbon dioxide emissions into the atmosphere (tons of harmful emissions/sq. km)	4.0	3.6	5.3	5.3	n.a.
Visits to the cinema per 1,000 people	139	153	150	169	134
Visits to the theater per 1,000 people	69	96	122	93	119