

Shumen District

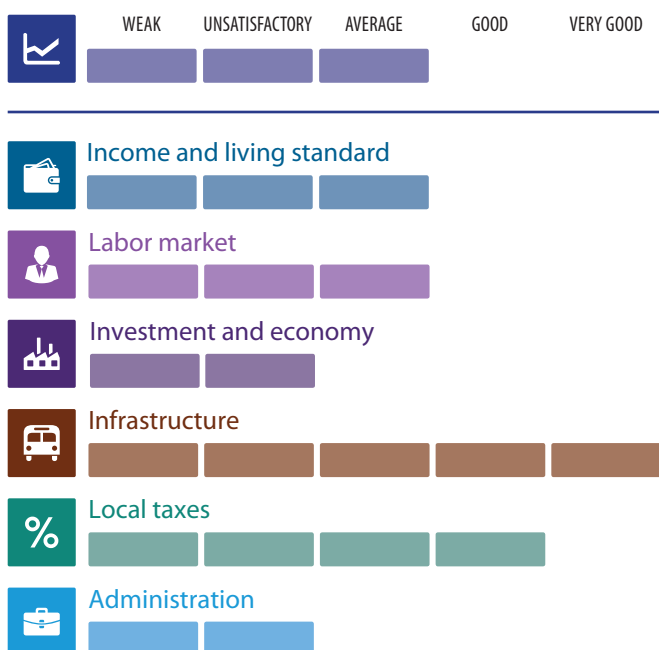
▶ Population (2019)	172,262
▶ Territory (sq. km)	3,389.7
▶ Number of settlements	151
▶ Share of urban population (%)	61.2



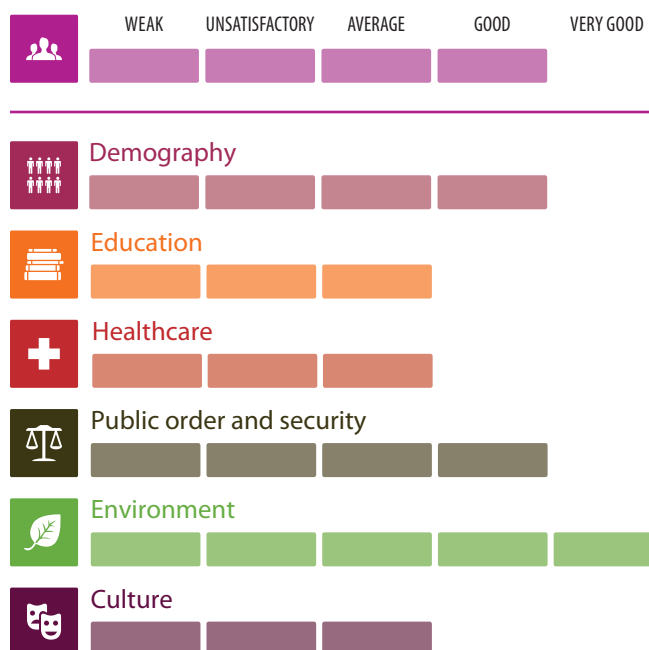
The dynamics of both GDP per capita and of the average salary in Shumen district in recent years have been favorable though not sufficient to converge with the national averages. Poverty levels are a challenge. In 2019, unemployment was still high and employment growth relatively slow so that the difference with the best performing districts remained. The district attracts little foreign investment and is not doing very well in the utilization of European funds. Thanks to the Hemus highway and the well-developed railway system, the infrastructure assessment is good. Local taxes in the district are below the national average despite some increases in 2020, but municipalities in the country face problems with the transparency of their work.

Shumen enjoys a positive net migration rate, but the rate of natural population growth has been deteriorating in recent years, while the rate of population ageing is accelerating. The school education system encounters serious problems with its coverage, and exam results in the district, especially those after 7th grade, are a cause for concern. Access to healthcare is relatively difficult, but morbidity and infant mortality are relatively low. The population of Shumen district generates little household waste, almost all of which is handed over for treatment and recycling, but there is a significant lag in the access to public sewerage and wastewater treatment plants. The district's cultural life owes its intensity to the high interest in museums and libraries.

ECONOMIC DEVELOPMENT



SOCIAL DEVELOPMENT



ECONOMIC DEVELOPMENT

Income and living standard

The growth rate of GDP per capita in Shumen district slowed down in 2018 to 6.4% reaching 9,400 BGN, thus placing the district around the middle of the ranking scale on this indicator, though in its lower half. In 2017 and 2018, the rapid increase in salaries by over 10% per year continued. However, this coincided with a period of a significant increase in salaries countrywide, so that the district failed to reduce the difference with the average salary of 13,800 BGN for the country in 2018.

Household incomes also remained below the national average, with 5,347 BGN/household member per year, compared to 6,013 BGN/household member nationally, and the situation with the growth rate was similar. However, Shumen continues to face significant problems with poverty levels: in 2019, 29.1% of the population were below the national poverty line, and 18.5% lived with material deprivation. Nevertheless, both poverty indicators have improved significantly in recent years.

Labor market

In 2019, Shumen continued to have one of the highest unemployment rates in Bulgaria – 10.1% for the population aged 15+, with only Montana, Silistra, Vidin and Targovishte showing higher unemployment figures. Despite the gradual increase in employment in recent years – up to 66.6% – in 2019 the employment rate of the population aged 15-64 continued to be significantly lower (by 3.5 p.p.) than the national average for that year. In general, however, due to the high unemployment in the district, its total economic activity was 76.7%, exceeding the national average by 2.4 p.p.

The weaker dynamics of the district's labor market can be attributed in part to the large share of population with primary or lower education – 29.5%, compared to 17.6% for the country. On the other hand, the demographic replacement ratio of the population aged 15-19 to that aged 60-64 is slightly above the national average, which shows a potential for maintaining the size of the workforce in the coming years.

Investment and economy

FDI in Shumen recorded a minimal increase in recent years and remained extremely low, with a total accumulated FDI of 681 EUR/person at the end of 2018, compared to 3,560 EUR/person in the country. On the other hand, in 2018 FTA expenditures increased to 2,106 BGN/person. The district has also underperformed as regards the utilization of European funds, and by mid-2020 the total value of the payments made to beneficiaries was only 1,453 BGN/person.

The number of enterprises in Shumen district is relatively small – 41 per 1,000 persons, but this can be explained with the large role industry plays in the local economy, which entails individual enterprises of a larger size. Workforce productivity in the district is also growing at a pace similar to that of the country and production value increased from 11,600 BGN/person in 2013 to 15,700 BGN/person in 2018.

Infrastructure

Shumen is the district with the largest share of first-class roads and highways in the country – 36.4%, partly due to the Hemus highway. And since its construction is relatively recent, the quality of roads in the district is also good – by 2019, 45.9% of the road surfaces were in good condition. Due to the large territory of the district, the density of the road network is slightly lower than the average one for the country – 18.2 km/100 sq. km. Despite the decline at the beginning of the decade, Shumen still has one of the more developed railway networks with a density of 4.6 km/100 sq.km territory. The share of the population with broadband Internet access has also been gradually increasing, and with a coverage of 77.3% in 2019 it already exceeded the national average.

Local taxes

The municipalities in Shumen district keep the levels of local taxes relatively low. Only the average amount of the motor vehicle tax after taking into account the environmental component is equal to the national average of 1.51 BGN/kw. The rate of the property acquisition tax in the district has not changed in the last five years. The patent tax for retail trade, for its part, decreased to 8.89 BGN/sq.m of retail space, which is significantly lower than the national average of 12.93 BGN/sq.m. The immovable property tax for legal entities remained at 1.85%, which is again slightly below the average for the municipalities in the country.

Administration

After a rapid improvement in 2018 and 2019 and in line with the progress made throughout the country, the coverage of the cadastral map of Shumen reached 90%. At the same time, the average AIP active transparency rating of the municipalities in the district decreased by 1 p.p., falling to 65.4%. The 2020 self-assessment of the municipalities of their capacity to introduce e-government was on average 2.87 out of possible 5 points, and of the provision of one-stop shop services – 3.39 points, with neither indicators having changed since the previous year.

SOCIAL DEVELOPMENT

Demography

The population of Shumen is ageing relatively fast – in 2017 the age dependence ratio between the population aged 65+ and that aged 15-19 reached 157%, compared to 153% a year earlier and exceeding the national average. The natural growth rate also followed its steadily negative trajectory, dropping to –7.4‰ in 2019 from –3‰ a decade earlier: that is, the ageing process is accelerating. On the other hand, Shumen is one of the few districts with a positive net migration figure of 6.9‰ in 2019, although in-migration and out-migration tend to follow the election cycle.

The district is among those relatively poorly urbanized, with 61% urban population, or over 12 p.p. lower than the national average, and over the last decade this share has been steadily declining. The population density of the urban settlements has also been decreasing – from 1,003 persons/sq.km in 2009 to 887 persons/sq.km in 2019, compared to 1,510 people/sq.km on average countrywide.

Education

Interest in Shumen University has been gradually declining since 2006, with the number of students dropping within a decade from 45 to 38 per 1,000 persons, even though in 2019 there was a minimal increase. The district encounters visible problems with the coverage of the school system – in 2019 only 83% of children were enrolled in 5th to 8th grade and there is no clear prospect for improvement. The share of dropouts from primary and secondary school is close to the national average. The ratio between teachers and students in the school system is relatively good.

In recent years, the average results in the matriculation exam in Bulgarian language and literature in the district have fluctuated between around 4.00 and slightly below that, and in 2020 the average grade was 3.96, compared to 4.20 nationwide. The share of poor grades in 2020 was also relatively high – 10.5%. At the external assessment in mathematics after 7th grade, the students in Shumen also underperformed, achieving an average of 29.6 points against the national average of 36.3 points and placing the district among only ten others with a score below 30 points.

Healthcare

Access to specialist physicians in Shumen district is relatively difficult. Access to GPs has also been gradually deteriorating and in 2019 there was an average of 1,833 persons per one GP, compared to 1,688 persons per one GP countrywide. The number of beds in the local general hospitals is relatively small – 313 per 100,000 persons. The share of people with health insurance is similar to that in the country.

Shumen is similar to Pernik district as regards the very low number of hospitalizations – only 125 per 1,000 persons in

2019 were treated in the local general hospitals. The most likely explanation for this figure is the proximity of Varna with its much better developed health facilities. The infant mortality rate in the district is also low – 3.5‰, compared to 5‰ on average for the country.

Public order and security

In 2019 the judicial system in the district managed to close 92% of criminal cases within 3 months, compared to 90% on average for the country. Its relatively good efficiency is also proved by the low share (6.2%) of cases pending in the courts. However, Shumen's judiciary was also among the less busy ones, with criminal judges hearing an average of 6.2 cases per month, compared to an average of 9.1 cases nationwide.

As regards security, the district is also performing well – only 9.3 crimes against the person and property per 1,000 persons were registered in 2019, compared to 11.1 in the country. The detection rate of this type of crime has also been gradually improving and that year it reached 59%, compared to 52% for the country.

Environment

The amounts of household waste generated in the district have increased in recent years, reaching 305 kg/person in 2018; however, this figure is much lower than the national average of 409 kg/person. The district is among the leaders in the share of waste handed over for treatment and recycling with nearly 95% of the total generated quantities.

One very big challenge for Shumen district is the population's access to public sewerage – only 58% of the population live in settlements with public sewerage, which can partly be explained by the low level of urbanization. In addition, by 2018 only 55% of the population with access to sewerage were connected to a wastewater treatment plant. In terms of carbon emissions, the district is also doing well, with just under 31 t/sq.km of carbon dioxide, or approximately 10 times less than the national average.

Culture

Shumen comes second in the country after Veliko Tarnovo district as regards interest in libraries, with 1,306 visits per 1,000 persons in 2019 – an almost threefold increase since 2009. Museums in the area also hold great attraction and were visited on average 1,162 times per 1,000 persons, compared to 770 visits per 1,000 people countrywide. On the other hand, the number of cinema visits was six times lower than the national average and that of theater visits almost two times lower.

Key indicators for the district of Shumen

Indicators of economic development	2017	2018	2019	National average
GDP per capita (BGN, current prices)	8,829	9,397	n.a.	15,615
Average annual income per household member (BGN)	4,855	4,855	5,347	6,013
Average annual gross salary per employed person (BGN)	9,994	11,028	n.a.	13,775
Share of the poor relative to the national poverty line (%)	n.a.	38.3	29.1	22.6
Employment rate of the population aged 15-64 (%)	62.7	64.6	66.6	70.1
Unemployment rate of the population aged 15-64 (%)	15.9	12.0	10.1	4.2
Share of the population aged 25-64 with primary or lower education (%)	29.6	28.9	29.5	17.6
Share of the population aged 25-64 with tertiary education (%)	22.6	24.0	23.7	28.0
Production value (BGN/person)	14,129	15,681	n.a.	25,855
Expenditure on fixed tangible asset acquisition (BGN/person)	1,683	2,106	n.a.	2,750
Cumulative foreign direct investment in non-financial enterprises (EUR/person)	621	681	n.a.	3,560
Share of households with Internet (%)	77.9	70.5	77.3	75.1
Share of roads in good condition (%)	54.4	41.7	45.9	41.4
Density of the road network (km/100 sq.km territory)	18.3	18.3	18.2	17.9
AIP active transparency rating of the local self-government (%)*	66.7	66.0	65.4	70.7

Indicators of social development	2017	2018	2019	National average
Natural population growth rate (‰)	-7.6	-7.6	-7.4	-6.7
Net migration rate (‰)	-1.1	4.1	6.9	-0.3
Average grade in the matriculation exam in Bulgarian language and literature**	3.77	3.85	3.96	4.20
Average grade in the external exam in mathematics at the end of 7 th grade (points)**	26.2	24.5	29.6	36.3
Number of teachers in primary and secondary schools per 1,000 students	95	96	95	89
Net enrolment of the population in 5 th -8 th grade (%)	86.0	83.6	83.1	86.6
Share of people with health insurance (%)	88.5	88.6	88.9	88.8
Population per one GP (number of people)	1,436	1,744	1,833	1,688
Registered crimes against the person and property per 1,000 people	10.0	9.6	9.3	11.1
Workload of criminal judges in office (cases/month)	6.5	6.9	6.2	9.1
Share of the population with access to public sewerage networks (%)	58.4	58.2	n.a.	76.2
Generated household waste per capita (kg/person/year)	357	305	n.a.	409
Share of household waste handed over for treatment and recycling (%)	91.6	94.7	n.a.	70.9
Visits to the cinema per 1,000 persons	161	126	111	659
Visits to the theater per 1,000 persons	177	165	191	362

* The data for 2019 are included in the 2020 study. The same also applies for the previous years.

** The data refer to the 2019-2020 academic year while the matriculation exam was held in 2020. The same also applies for the previous years.