Smolyan District

- ▸ Population (2019) 103,532
- ▸ Territory (sq. km) 3,192.8
- ▸ Number of settlements 240
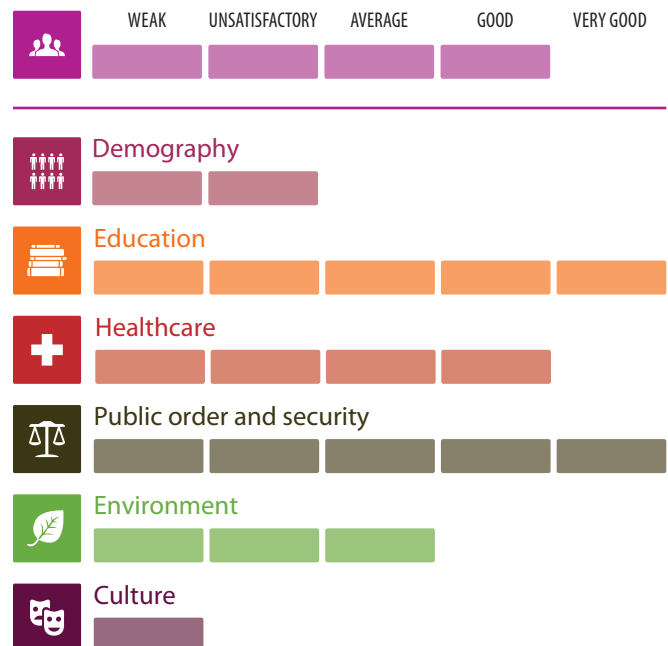- ▸ Share of urban population (%) 56.4

GDP in Smolyan district has been growing though at a slower rate than the country's average, and the margin between them has widened over the past twenty years. Incomes continue to exceed the national averages. Employment rates sustain relatively low levels, and unemployment rates are high. A major challenge for the future development of the local labor market is population ageing. Investment activity in the district is low. The specific geographic location of the district as a border region and its mountainous terrain account for its relatively poorly developed infrastructure. In 2020 Smolyan again ranked among the districts with the lowest local tax rates. The transparency ratings of the local administration remain below the average ones of the country.

The population of Smolyan district is among the fastest ageing in the country. Compared to the other districts, it continues to have some of the best indicator values in the education category, with the highest teacher-student proportion and the lowest share of repeaters. Healthcare in the district is at a relatively good level. The share of people with health insurance is among the highest in the country. Smolyan district ranks first in the whole of Bulgaria in terms of security and justice. The workloads of the local judges are low, while the detection rate is the highest in the country. Smolyan is one of the districts with the lowest volumes of carbon dioxide emissions, but the share of household waste handed over for recycling and treatment is exceptionally small. The intensity of its cultural life is low.

ECONOMIC DEVELOPMENT

	WEAK	UNSATISFACTORY	AVERAGE	GOOD	VERY GOOD

Income and living standard

Labor market

Investment and economy

Infrastructure

Local taxes

Administration

SOCIAL DEVELOPMENT

	WEAK	UNSATISFACTORY	AVERAGE	GOOD	VERY GOOD

Demography

Education

Healthcare

Public order and security

Environment

Culture

📈 ECONOMIC DEVELOPMENT ▪▪▪▪

💰 Income and living standard ▪▪▪▪

Over the last two decades, GDP in Smolyan district has been growing though at a slower pace than that of Bulgaria's economy in general. As a consequence, the district is increasingly lagging behind the average level in the country by a margin which has gone up from 20% in 2002 to over 32% in 2018. In 2018, GDP per capita in the district rose by 8.8% to reach 10,600 BGN. The average gross annual salary increased by over 11% to 10,100 BGN, compared to 13,800 BGN in the country.

Household incomes remain higher than the national average, but in 2019 they registered a slight relative decline to 6,354 BGN/household member compared to 6,013 BGN in the country.

Poverty levels in the district also remained lower than the national average in 2019. The share of the population living with material deprivation was extremely small, and at 12.8% the district ranked second in the country after the capital. The share of the population living below the national poverty line was 21.2%, versus 22.6% on average countrywide.

👤 Labor market ▪▪▪

In 2019, economic activity in Smolyan district remained at a relatively high level – 75.3% , compared to 74.3% in the country. This was accompanied by a decline in both employment and unemployment rates. The employment rate remained relatively low – 66.5%, against 70.1% on a national scale, while the unemployment rate dropped to 8.8%, which, however, was double the national average.

The educational structure of the workforce in the district has undergone a slight improvement, as the people with a university degree have increased by 1 p.p. to 23.5%, against 28% nationally, while the number of those with primary education or less has declined by 1 p.p. to 14.3%, versus the national average of 17.6%.

A major challenge for the future development of the local job market is population ageing. Smolyan is the district with the lowest population replacement ratio of the people aged 15-19 to those aged 60-64, which in 2019 fell to 41.8%, compared to 65.9% nationwide.

🏭 Investment and economy ▪▪

Investment activity in the district remains low. In 2018, the number of registered enterprises went up and reached 51 per 1,000 persons, which, however, is still below 59 per 1,000 persons as the average one for the national economy that year. FTA expenditure has also been rising but is still far below the one in the years before the global financial and economic crisis. More visible in 2018 was the growth of cumulative FDI but that, too, amounted to as little as 860 EUR/person, which was four times lower than the national average.

In 2018 production value in the district also grew but at a slower pace than the average one in the country – only 6.9%, which

places the district even further behind in terms of the average value in Bulgaria's economy.

Utilization of EU funds in Smolyan district is identical to the average national rate. By 15 June 2020 payments made in the district to beneficiaries under EU operational programs were 1,975 BGN/person. The leaders in the region in the utilization of European funds are the municipalities of Smolyan, Rudozem and Zlatograd.

🚌 Infrastructure ▪▪

The specific geographic location of the district as a border region and its mountainous terrain account for its relatively poorly developed infrastructure. Smolyan lacks railroads, highways and first-class roads, which is an impediment to traffic on its territory. The density of its road network is 16.9 km/100 sq.km compared to the national average of 17.9 km/100 sq.km. Road quality is relatively good and in 2019 it improved even more, so that the share of roads with surfaces in good condition reached 53.8%, against the average of 41.4% for the whole country.

The relative share of households with internet access has been rising in the past few years, and in 2019 it reached a whole 82.4%, versus the national average of 75.1%.

% Local taxes ▪▪▪▪▪

Smolyan remained among the districts with the lowest local taxes in 2020. The biggest differences of nearly 40% compared to the national average were observed in the tax rates on retail trade and taxi services. In 2020, the average level of the retail trade tax in the municipalities in Smolyan district fell to 7.74 BGN/sq.m, versus 12.93 BGN/sq.m in the country. The annual patent tax for taxi transportation remained at an average of 318 BGN, compared to 498 BGN nationally, and the tax rates on motor vehicles were 16% lower than nationwide.

💼 Administration ▪▪

The self-assessment of the local administration on the development of e-government continued to improve over the past three years, but in 2020 it still remained considerably below the national average, with 2.73 out of 5.00 p. in the district and 3.22 countrywide. At the same time, the rate of increase in their self-assessment on the provision of one-stop shop services within the same three-year period was sufficient to exceed the national average.

The AIP Active transparency rating of the local administration across the district remained lower than the national average. It reached an average of 67.5% for the whole district, against 70.7% nationally, with the municipalities of Zlatograd, Dospat and Chepelare achieving the highest transparency ratings.

⚌ SOCIAL DEVELOPMENT ▪▪▪

⚏ Demography ▪▪

The population of Smolyan district is one of the fastest ageing in the country. 2019 was a year of both a declining birth rate and increasing out-migration. The natural growth rate dropped to –9.7‰, compared to the national average of –6.7‰, while the net migration rate decreased to –8.4‰.

The district's age dependency ratios have been deteriorating fast and are considerably more unfavorable than the national averages. In 2019 the ratio of people aged 65+ to those aged 0-14 reached 216%, compared to 150% nationally, and that to the 15-64 age group was 39%, versus 34% countrywide.

The share of urban population in the district is relatively small – 56%, against the national average figure of 74%. At the same time, the density of population in urban areas remains relatively high at 1,775 persons/sq.km, versus 1,510 persons/sq.km for the whole country.

▤ Education ▪▪▪▪▪

Smolyan continues to be among the districts with the best performance in the education category. The net enrolment of schoolchildren in 5th to 8th grade is one of the highest in the country – 90.9%, compared to an average of 86.6% nationally. The proportion of teachers to students in primary and secondary education is the highest in the country and in 2019 it continued to improve, reaching 122 teachers per 1,000 students, compared to the national average of 89 teachers per 1,000 students. The share of repeaters is the lowest in Bulgaria, and that of dropouts from primary and secondary education is the second lowest, outranked only by that of Sofia (capital city).

Students' performance in the district in 2020 also exceeded the national average. The average score in the 2020 external evaluation at the end of 7th grade was 38.1 p. against the average of 36.3 p. nationwide. The average result in the 2020 matriculation exams in Bulgarian language and literature reached 4.53 in the district, versus 4.20 nationally, and the share of "fail" grades (below 3.00) dropped to 3.2%, against 8.2% nationwide, which ranks Smolyan district second in Bulgaria, immediately after the capital.

Smolyan has two university branches on its territory – one of Varna Free University and one of Plovdiv University "Paisii Hilendarski". The reported relative number of university students in the district is 14 per 1,000 persons, compared to 32 students per 1,000 persons in the country on average.

✚ Healthcare ▪▪▪▪

Smolyan district has performed quite well in the healthcare category. The percentage of people with health insurance is among the highest in Bulgaria and in 2019 it reached 97%, compared to 89% nationwide. Infant mortality is nearly four times lower than the national average, which ranks the district in the second place on this indicator. Access to GPs is relatively easy, though the number of specialist physicians is still considerably lower than the average one for the country.

Hospital bed capacity has continued to improve and in 2019 it reached 562 per 100,000 persons, thus exceeding the national average.

The relative number of patients treated in the local hospitals remained relatively low in 2019 with 220 per 1,000 persons, versus 254 per 1,000 persons countrywide.

⚖ Public order and security ▪▪▪▪▪▪

Smolyan was the top-ranking Bulgarian district in 2019 as regards security and justice. The workloads of the local criminal judges were among the lowest in the country, with a monthly average of 5.2 cases per judge, compared to 9.1 cases nationally. This has a beneficial effect on the speedy delivery of justice. Pending cases make up a bare 7%, against 10% in the country.

Smolyan is also one of the districts with the lowest crime rates in the country. Registered crimes against the person and property number 6 per 1,000 persons, with 11 per 1,000 persons as the national average figure. At the same time, the detection rate in the district is the highest in the whole of Bulgaria – 74% in the district, compared to 52% nationally.

⬢ Environment ▪▪▪

Smolyan district is among the districts with the lowest volumes of carbon dioxide emissions into the atmosphere. In 2018 they amounted to 9.6 t/sq.km, many times lower than the average of 274 t/ sq.km nationally. 72.9% of the population live in settlements with a public sewerage network, which is a comparatively high figure relative to the low level of urbanization in the district.

Smolyan district is still lagging behind in terms of the connectivity of sewerage networks to waste water treatment plants, with a coverage of only 43.1% of the local population, compared to the national average of 63.9%.

The amounts of household waste generated in the district are relatively low – 301 kg/person per year against 409 kg/person on a national scale. However, the figures for the share of this waste handed over for treatment and recycling have fluctuated significantly over the past few years.

⚏ Culture ▪

Cultural life in Smolyan district is characterized by low intensity, one reason for which is the limited number of cultural institutions with any significant activity there. That situation remained unchanged in 2019.

Cinema visits in the district, though on the rise, remained relatively few in number – 149 visits per 1,000 persons, versus the national average of 659 per 1,000 persons. Considerably fewer than average were also the visits to the local theaters and museums – 99 per 1,000 persons for theater visits, compared to 362 per 1,000 persons nationwide, and 154 museum visits per 1,000 persons, against the national figure of 770 per 1,000 persons. Libraries enjoy extremely low popularity and in 2019 reported visits were only 198 per 1,000 persons, against 683 per 1,000 persons on a national level.

Key indicators for the district of Smolyan

Indicators of economic development	2017	2018	2019	National average
GDP per capita (BGN, current prices)	9,742	10,597	n.a.	**15,615**
Average annual income per household member (BGN)	6,127	6,127	6,354	**6,013**
Average annual gross salary per employed person (BGN)	9,133	10,145	n.a.	**13,775**
Share of the poor relative to the national poverty line (%)	n.a.	20.9	21.2	**22.6**
Employment rate of the population aged 15-64 (%)	68.1	67.7	66.5	**70.1**
Unemployment rate of the population aged 15-64 (%)	11.2	10.5	8.8	**4.2**
Share of the population aged 25-64 with primary or lower education (%)	15.5	15.3	14.3	**17.6**
Share of the population aged 25-64 with tertiary education (%)	23.8	22.5	23.5	**28.0**
Production value (BGN/person)	13,955	14,914	n.a.	**25,855**
Expenditure on fixed tangible asset acquisition (BGN/person)	1,511	1,738	n.a.	**2,750**
Cumulative foreign direct investment in non-financial enterprises (EUR/person)	765	860	n.a.	**3,560**
Share of households with Internet (%)	56.5	73.0	82.4	**75.1**
Share of roads in good condition (%)	49.6	49.1	53.8	**41.4**
Density of the road network (km/100 sq.km territory)	16.9	16.9	16.9	**17.9**
AIP active transparency rating of the local self-government (%)*	58.2	67.0	67.5	**70.7**

Indicators of social development	2017	2018	2019	National average
Natural population growth rate (‰)	−9.5	−9.4	−9.7	**−6.7**
Net migration rate (‰)	−10.4	−8.1	−8.4	**−0.3**
Average grade in the matriculation exam in Bulgarian language and literature**	4.33	4.19	4.53	**4.20**
Average grade in the external exam in mathematics at the end of 7th grade (points)**	36.0	37.7	38.1	**36.3**
Number of teachers in primary and secondary schools per 1,000 students	114	119	122	**89**
Net enrolment of the population in 5th-8th grade (%)	90.8	91.6	90.9	**86.6**
Share of people with health insurance (%)	94.4	94.8	97.0	**88.8**
Population per one GP (number of people)	1,526	1,587	1,569	**1,688**
Registered crimes against the person and property per 1,000 people	6.1	5.1	6.0	**11.1**
Workload of criminal judges in office (cases/month)	6.2	5.0	5.2	**9.1**
Share of the population with access to public sewerage networks (%)	72.6	72.9	n.a.	**76.2**
Generated household waste per capita (kg/person/year)	251	301	n.a.	**409**
Share of household waste handed over for treatment and recycling (%)	53.0	7.5	n.a.	**70.9**
Visits to the cinema per 1,000 persons	169	134	149	**659**
Visits to the theater per 1,000 persons	93	119	99	**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.