REGIONAL PROFILES:
INDICATORS OF DEVELOPMENT

Sofia 2012

Regional Profiles:

Indicators of Development

Institute for Market Economics
Sofia 2012

The study „Regional Profiles: Indicators of Development"
is a part of a three-year project financed by the America for Bulgaria Foundation.
The publication aims to paint as complete a picture as possible, covering both the economic and social aspects of life in the regions.

ISBN 978-954-8624-31-2

Content

AMERICA FOR BULGARIA
FOUNDATION

Фондация Америка за България

The America for Bulgaria Foundation is proud to partner with the Institute for Market Economics in the publication of "Regional Profiles. Indicators of Development." Both institutions support the further development of the market economy in Bulgaria, a goal we hope this project will advance. It collects economic, regulatory and social data about each of the 28 regions of Bulgaria. Our aim is to present a comprehensive, accurate and up-to-date picture of regional development. We also want to show how each region stacks up against the other 27, and in doing so encourage healthy regional competition.

This report can be put to a variety of uses. Government and local authorities can use the data to see where a specific region stands in relation to others and determine where improvements can be made. Scholars can use the information to assess the impact of certain policies on economic growth and other vital measures of success. Business considering new investments or relocation can use the data to analyze the tax, regulations and social policies that could affect the success or failure of the enterprise. Individuals can employ the data to help make decisions about where to live, work or establish businesses.

Competition is the engine of a market economy. We hope this annual report will help spur productive rivalry among Bulgaria's 28 regions, which will in turn lead to better policies and a stronger, more vibrant economy.

Patrick H. Bracken

President of America for Bulgaria Foundation

Foreword

The publication „Regional Profiles: Indicators of Development" aims to provide objective, timely and comprehensive information on the development of Bulgarian regions, both in static and dynamic terms. The publication aims to paint as complete a picture as possible, covering both the economic and social aspects of life in the regions.

Regions are subjected to overview at the level of administrative districts (oblasti); and this division was largely determined by the available data. Going down to the municipal level and preparing 264 profiles would not only be an enormous task but also quite impossible since much of the data is either not available or does not make much sense at the municipal level.

The profiles of Bulgaria's 28 districts cover eight categories, each of which is related to the quality of life and the level of development of those regions, including: demographics, economy, business environment, infrastructure, health, environment, education and social environment. You will find all about these categories, indicators and sources of information in the description of the methodology applied during this survey, and at the end of the booklet you will find some of the main source data.

It is our belief that this publication will contribute to a deeper understanding of the regional development, and will provoke interest in the topic. The analysis of available statistical data, the results of field studies undertaken and the interviews held by the team of the Institute for Market Economics (IME) in each separate area revealed a very colourful picture of development in various regions, and we tried to reflect it in the Profiles as much as possible.

You will find the main highlights of this publication in the Executive Summary that also presents the main findings of the cluster analysis. This publication is accompanied by four thematic analyses which subject to review the tax policy at local level, the trends in primary and secondary education, and comment the companies' perceptions of business environment, as well as citizens' perceptions of living conditions in separate districts.

The Regional Profiles are intended for everyone interested in regional development, and we hope that this publication will provoke debates at local level and will become the basis for informed policies, as well as an incentive for competition between local authorities. A competitive environment provides people with a choice and drives development, and it fully applies to development of regions across the country.

This survey is a part of the IME's long-term effort, so in the coming years, new editions of the Regional Profiles will follow. Much more complete, up-to-date and interactive information than the data contained in the print edition is available on the specialised website for the project at http://www.regionalprofiles.bg.

Acknowledgments

We the IME team would like to extend our sincerest gratitude to the America for Bulgaria Foundation, that provided assistance and financial support to the IME's long-term effort within the sphere of the regional development. The Foundation's team did not just provide the funding for this publication, but from the very onset it embraced the idea of this type of survey, and actively participated in the working process. Without their support, this publication would not have happened.

Special gratitude is due to our partners from MicroStat Analytics who worked side by side with us throughout this project and made substantial contribution to this publication. Statistical processing and field studies would have been very difficult without their help.

We are grateful as well to the members of the project's Advisory Board, whose comments and critique have been of great benefit and improved this publication: Prof. Vesselina Troeva, Ph.D. Arch. (National Centre for Regional Development PLC), Dr Docho Mihaylov (Agency for Socio-Economic Analysis Foundation), Dr Evgeni Evgeniev (World Bank), Lachezar Bogdanov (Industry Watch Group Ltd.) Nadezhda Yarlovska, Dipl. Eng. (National Centre for Regional Development EAD), Ass. Prof. Dr Neno Dimov (Kliment Ohridski Sofia University), Olga Chugunska (Bulgarian Chamber of Commerce and Industry), Tsvetan Simeonov (Bulgarian Chamber of Commerce and Industry), and also to Lenko Lenkov (America for Bulgaria Foundation) and Mariya Zlatareva (UNDP Bulgaria) who had observer status. We would also like to thank the team of the Bulgarian Institute for Legal Initiatives Foundation for the advice on all indicators and issues in the field of justice.

We feel obliged to the Bulgarian Chamber of Commerce and Industry (BCCI) for the overall support for the project. Regional BCCI representatives met our teams in most districts across the country, and the discussions we had were very informative and useful. We are grateful to all those whom we met in the field and who helped us make sense of the raw data on regional development.

We are extremely grateful to Ass. Prof. Yordan Kalchev, Ph.D. for the great scientific editorial work resulting in this publication. Despite pressing deadlines Ass. Prof. Kalchev, Ph.D. managed to eliminate some inaccuracies in the publication, and his comments resulted in a much improved text. Any inaccuracies or errors in this publication are entirely our responsibility.

Gathering the necessary information for this paper was not just an adventure but required a lot of hard work by our team. We are grateful to the National Statistical Institute for the collaboration that, in spite of some difficulties, finally paid off and we obtained all data we needed. We appreciate the assistance of nearly 200 municipal administrations that responded to the questionnaire on the level of local taxation, the level of electronic services and the one-stop-shop principle. We believe that in the future editions, we will have reasons to thank also other municipalities which were not as helpful and actually violated the Access to Public Information Act.

Finally, we would like to thank all those who worked on the hardcopy edition of the Regional Profiles, and on the project dedicated website: our friends from the MTR Design once again did a great job on the online edition. We are grateful for your patience, understanding and good work.

IME

Executive Summary

The „Regional Profiles: Indicators of Development" study was carried out for the first time by the IME team and its partners and aims to provide a snapshot of the socio-economic condition of Bulgarian districts as at mid-2012, and their evolution since 2000. The regional profiles of the districts were outlined on the basis of 57 objective and subjective indicators; we have also sought answers to the question what made some districts relatively more developed and prosperous while others remained poorer or underdeveloped.

For this purpose, the first part of the study presents the results of the clustering of districts simultaneously following eight complex-valued indicators, used for measuring both in statics and dynamics. As a result of this method of clustering, nine specific groups of districts with similar profiles were identified . Some of the resulting clusters were largely expected while others certainly surprised the team involved in the study. For example Sofia (the capital city) was understandably outlined as a separate cluster because of its leading position in socio-economic terms. At the same time, other indicators showed that it was one of the two districts with the worst environment for business development. It was quite surprising to conclude that the Gabrovo District formed an independent cluster because of its relatively good socio-economic status, but with very strong negative trends in demography and education.

The resulting clusters are particularly interesting subject for analysis because they bring to the surface certain seemingly subtle similarities between districts. For example the districts of Stara Zagora and Targovishte form a separate cluster because of their favourable business environment and dynamic economic development while at the same time both suffer due to poor natural environment conditions. At the other extreme, there is a cluster covering the districts of Razgrad and Silistra. This cluster is characterised by the most unfavourable demographic developments compared to other Bulgarian districts, and the very poor state of local economy and education. Positive changes in education form a promising trend in this group.

The clustering process within districts leads to some intriguing conclusions. First of all, the resulting clusters are generally not compact within the territorial outlines of a certain district, with a few exceptions (e.g., the a.m. cluster of the districts of Silistra and Razgrad). Second, the proximity to a major centre such as the capital city of Sofia has no immediate positive impact on satellite districts: for instance, the profile of Sofia District shows good development trends while Pernik falls within a profile of poor socio-economic conditions. And last but not least, the range of profiles characterized by poor socio-economic conditions or negative development trends is much wider than the range of good conditions. In practice, no more than three or four Bulgarian districts may be stated as having relatively good conditions with less pronounced negative development trends.

In order to try and find convincing explanations for similarities and contrasts in the socio-economic development of districts, the second part of the publication contains several thematic analyses on topics selected by the team, while the third part presents profiles of each of the 28 districts in Bulgaria. In the first edition of „Regional Profiles: Indicators of Development", the emphasis is on the following four topics: levels of local taxation; assessment of business environment in the district by local economic operators; assessment of living conditions by people living in the district and analysis of trends in primary and secondary education.

The thematic analysis of the level of local taxes explores how municipalities have taken advantage of the opportunity to set the level of local taxation allowed pursuant to changes in the Constitution and the Local Taxes and Charges Act adopted in 2007. Also analysed is how this partial fiscal autonomy of municipalities has affected municipal budgets and amounts of municipal debts. One of the main conclusions reached by the thematic analysis is that the revenue side of budgets has not undergone major changes since these legislative changes, and the majority of municipalities continue to mainly rely on transfers from the central government.

The second thematic analysis focuses on processes developing in the primary and secondary education and attempts to explain the causes behind the recent deterioration in the quality of education in Bulgaria in, according to internationally recognized studies such as the OECD's

Programme for International Student Assessment (PISA). One of the conclusions of the analysis is the trend towards rapid reduction of the numbers of school children/students, teachers, and schools due to negative demographic processes. An important finding is the decrease of the number of school leavers as a result of the deteriorating situation on the labour market post-2008, and the fear that schools will be closed and teachers laid off: on the one hand, higher grades students remain longer at school because of the fewer employment opportunities after the crisis in 2009, and on the other hand, teachers in districts worst affected by demographic processes are prone to giving away higher scores to poorly performing students in order to keep them at school and avoid striking off some classes or even schools, closing-down which would entail teaching staff lay-offs. Another important trend that has been outlined is the declining number of graduates of technical educational institutions, while at the same time the level of practical training of graduates deteriorates too.

The thematic analysis of local companies' assessment of the business environment in the different districts also leads to interesting conclusions. Thus, despite the relatively high perceptions of corruption in the country as a whole, judging from the authoritative Corruption Perception Index developed by the Transparency International, a survey among local businesses shows that there are considerable variations in corruption perceptions between separate districts. Thus for instance some districts are perceived as relatively „clean" of corruption - Razgrad, Targovishte, and Smolyan. At the other extreme, the districts of Sofia, Pernik and Kyustendil stand, where corruption perceptions are highest. Another finding is the interdependence between businesses' perceptions of corruption and the evaluation they give to local administration performance. In districts where the business community as a whole perceives local administration as being corrupt, it is also prone to give a low score to its performance (speed, competence etc.).

The last thematic analysis focuses on citizens' satisfaction with the living conditions in separate districts. One of the conclusions is that there is no significant causal relationship between the people's well-being as measured by the GDP per capita in each district, and their satisfaction with the standard of living. Interestingly, the top position as to the level of satisfaction with the quality of life is occupied by one of the poorest districts in the country: Razgrad, followed by Burgas and Silistra. Of all the institutions surveyed, the highest performance score is given to schools, with the highest results achieved in Targovishte, Varna, and Dobrich, where the share of respondents who ranked the education system's performance as „good" or „excellent" is over 80 per cent. In contrast to that of schools, confidence in courts of law is lowest among all institutions covered by the survey. This poor performance score was reported by both citizens and the business community. The farthest negative assessments in this respect are for Burgas and Sofia districts.

In addition to the cluster analysis and four analytical reviews on topics selected by the authors, the study also contains the separate profiles of all 28 districts in the country. The profile of each district consists of an overview and commentary on the more notable results and trends in each of the 8 categories of indicators: economy, business environment, infrastructure, demography, education, health, natural environment, and social environment. The analysis of districts reveals a number of common trends inherent for all or most of the Bulgarian districts.

Among the processes which, to a smaller or greater extent affect all districts, is the widespread demographic deterioration, the effects of the economic boom in 2008, the effects of the crisis that started in 2009 and the subsequent shrinking of investment and job opportunities, healthcare issues, deteriorating quality of education, poor penetration of electronic services at local level, and corruption.

These processes, although generally having similar effects on local business and living conditions, actually reveal very different intensities in separate districts. Certainly part of the explanation behind these differences lies in objective factors such as geographical location, availability of resources, starting position and other characteristics of the districts. Another part, however, depends on the efficiency of the central and especially the local government holding most of the tools needed for a lagging district to become prosperous.

Business environment is a typical factor that depends on the general economic developments outside and in the country, and on the conditions for entrepreneurship established by the local administration: local tax rates, efficiency of administrative services, availability of electronic services and the „one-stop shop" principle, curbing of corruption, absorption of EU funds for regional development, proactivity in attracting and retaining large investors. Based on the analysis of collected data, an example in this respect is the capital city of Sofia where the business environment is evaluated as very poor. Indeed, the capital provides more businesses opportunities, but also creates more obstacles: high tax rates, red tape, and corruption.

Infrastructure is also entirely in the hands of the central government and local authorities. Over the past years, opportunities to improve the infrastructure have increased considerably with the availability of European funds for such projects, from pre-accession, Structural and Cohesion Funds. Therefore the rate at which municipalities are able to take up European funds for infrastructure projects (roads, water and sewerage network, regional urban development, etc.) has become a major factor in regional development. The direct connection between the EU funds absorbed and the quality of infrastructure is clearly visible in some districts. A typical example is the Gabrovo District, that is a leader in the absorption of EU funds and holds one of the highest scores in the Infrastructure category.

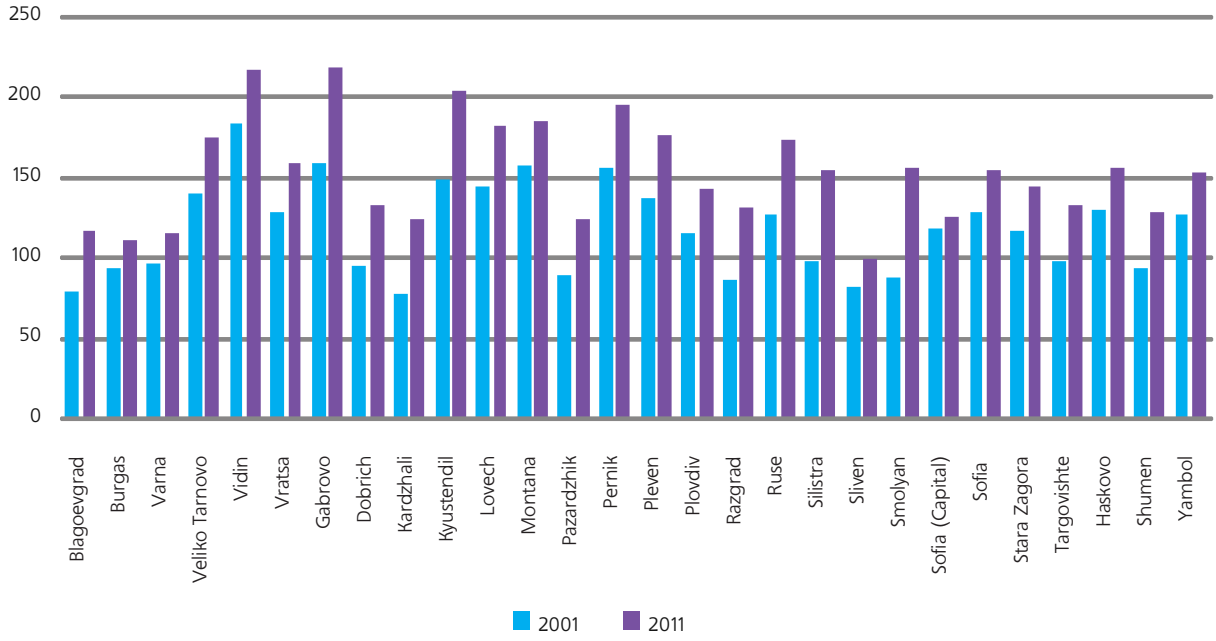
The analysis of districts shows that most of them report worsening demographics in terms of the rate of natural increase and net migration, population age structure and calculated dependencies. The relationship between districts' demographic development and other key areas such as „Economy" and „Education" is very clearly outlined. Thus for example, in a slowly developing economy we observe a high negative rate of net migration, that in turn leads to a deteriorated rate of natural increase and increasing age dependency because of the reduced number of children and people of working age. The shortage of qualified personnel in the workforce deters potential investors, which in turn leads to a worsening demographic situation and further exacerbates problems in education and economic development. In fact, the only districts reporting positive net migration are Sofia (capital), Varna and Burgas, with the two coastal districts having a more pronounced positive growth after 2007. The districts with the highest rates of net emigration and respectively depopulation since 2001 include Smolyan, Yambol, Vidin, Razgrad, Vratsa, and Sliven.

The issues related to natural movement are even more acute because it determines the population's rate of reproduction. Over the entire reported period (2001-2011) for all districts, except for a negligently small positive growth in Sofia (2009-2010) and Varna in 2009, the population growth rate is negative. Against this background, the age dependency ratio (elderly to working-age people and elderly to children) has also widely deteriorated over the period.

The age dependency ratio (elderly persons to those of working age) in all districts was higher in 2011 compared to 2001, but in many districts it registered a major increase only over the past 1-2 years, while previously it had remained relatively stable, and even slightly improved in some years.

Graph 1:
Age Dependency Ratio, 65+/ 0-14, %

Source: NSI



The unfavourable demographic processes in the country reflected on some of the indicators related to education. Generally, the student-teacher ratio is a standard indicator of the quality of education: the fewer the number of children a teacher instructs, the higher the quality of education is expected to be. This indicator should be interpreted with caution and in relation to others. It appears that in many districts the processes of depopulation and the decreasing numbers of school-age children are more intense than the parallel process of schools closing down and teachers laying-off , particularly in the period before 2007-2008. In this way, the student-teacher ratio everywhere was generally improved in 2011 compared to 2000, with this process being particularly pronounced during the period of high economic growth (2004-2007).

An unfavourable trend is noticeable in the academic performance of Bulgarian students in secondary education, judging by the deteriorated average scores from the mandatory school-leaving exams and the increased proportion of failed scores in almost all districts. The inadequate quality of education is an issue often raised by employers in most districts. One of the main weaknesses in secondary education is the slow response of the school system to the needs of businesses in the area. Thus for instance a large number of vocational high schools continue to provide training in specialities which have not been in demand in the respective district for a long time, while at the same time local companies are seeking to employ young people with specialities not currently covered by the education system. Even where such specialities are provided, training often takes place in (morally) obsolete facilities and equipment that is not actually used in real economy, or is of low practical relevance.

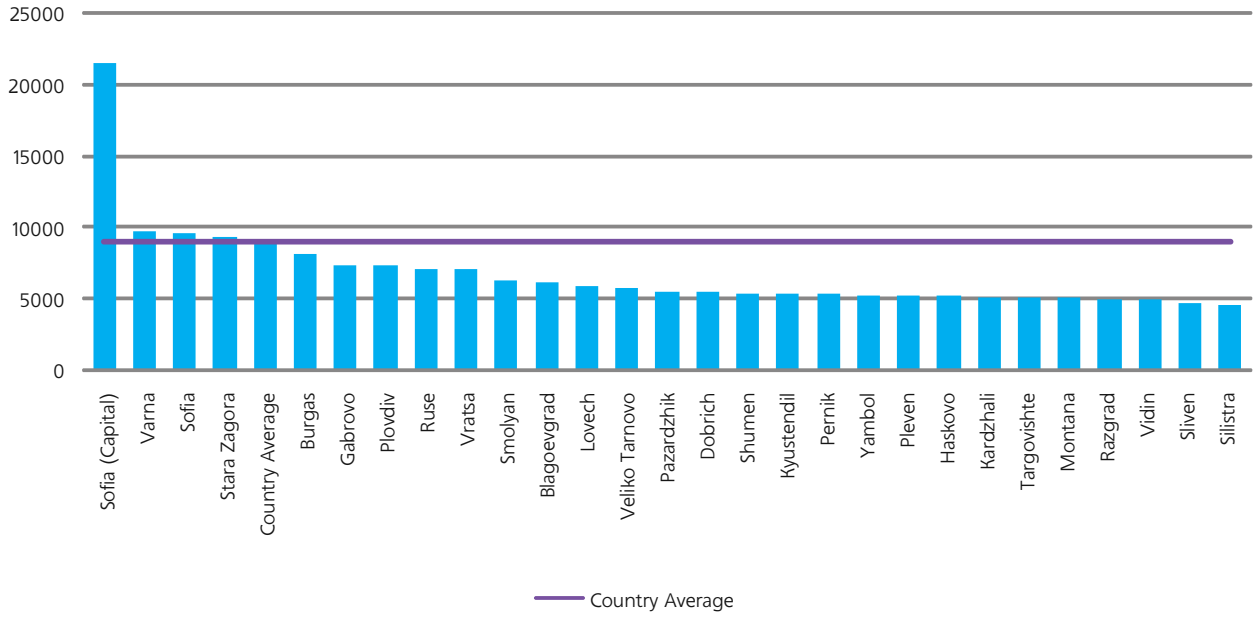
As a whole, problems in the quality of education also reflect on the labour market in separate districts. Although the employment rate in all districts was much higher in 2011 than in 2000, (except for Kardzhali), over the past two years jobs have been cut in most districts because of the effects of the economic crisis and the subsequent labour market stagnation. Nevertheless, some districts succeeded in minimising its effects or dealing with its aftermath more quickly than others. For example, in 2011 eight districts reported a trend of increasing employment figures: Blagoevgrad, Veliko Tarnovo, Vratsa, Kardzhali, Pernik, Targovishte, Shumen, and Yambol. Although none of these districts has yet reached the 2009 level of employment, this trend in almost one-third of the districts is promising, indeed.

It should be noted that the widest gaps between districts become evident in the „Economy" category. For instance, the GDP per capita figures show that in Silistra (the district at the bottom of the 2009 rankings) it equals about one-fifth of the GDP in the district with the highest standard of living - Sofia (capital city). The period of economic growth from 2000 to 2008 has greatly widened the gap between the poorest and richest districts.

Besides GDP, large differences (in some cases manifold) between districts are also reported in terms of the size of foreign direct investments and the other major investment indicator - the expenditures for acquisition of fixed assets. When relating their values to the number of population of each district, the considerable variations between the regions are still kept. Thus for example, in 2000 in Vidin District, that traditionally features one of the lowest investment rates, the expenditures for TFA acquisition was the equivalent of less than 4% of expenditures in Sofia District (capital city). In 2010, the expenditures for fixed assets in the Kardzhali region, that in the same year was at the bottom of the ranking, was less than 8% of the same indicator in Sofia (capital city).

The discrepancies are even more pronounced in terms of foreign direct investment (FDI). As regards the indicator included in the study, namely cumulative FDI per capita, the worst performing district in 2000 was Smolyan, with FDI inflow there being less than 1% of that in the Sofia District. Similar differences were observed in 2010, when in the least attractive district investment-wise (Kyustendil) FDI equalled about 1% of that in Sofia (capital city). Overall for the period since 2000, undoubtedly the most attractive areas for investment included Sofia (city) and Sofia (district), the latter being attractive for investment because of the proximity to the capital, the lower real estate prices, and the more favourable local taxation policy. Pernik District is also in the group with relatively high direct investment inflow per capita; it is among the top five according to this indicator, not far behind Varna and Burgas.

The study registered very weak interdependencies between the standard of living in a given district, as measured by GDP per capita and income per member of the household, and local residents' subjective satisfaction with the quality of life in the district. Thus for instance the residents of Sofia (city), where income per capita is more than twice that in the second-richest district of Varna, is ranked fourth according to the level of satisfaction with the standard of living. This list is topped by one of the poorest districts in the country: Razgrad, followed by



Graph 2:
GDP per Capita, in BGN (2009)

Source: NSI

Burgas and Silistra. This discrepancy can only partly be explained by the different price levels and the generally different cost of living between districts. Naturally, these evaluations are also influenced by the values, needs and interests of people living in different regions of the country.

The analysis also showed no relationship between the quality of life, administrative services, corruption level and all other aspects of life in the districts, on the one hand, and people's desire to relocate permanently from one district to another. Most telling in this regard is Pernik District, whose residents are obviously not satisfied with the working and living conditions there, but still less than 10% responded that they wanted to move to another district. Perhaps the proximity of Pernik to the capital city and the fact that many of its residents work, study and use various services in Sofia would partly explain their reluctance to relocate.

In conclusion, the study „Regional Profiles: Indicators of Development" aims to provide an objective and multifaceted overview of important characteristics of Bulgarian districts and explore the underlying causes of the differences. The authors' aim was to highlight not only the problems and weaknesses in separate districts, but also to showcase best practices, hoping to trigger an exchange of experience in the area of local authorities' competences.

Local Tax Policy

The 2007 amendments to the Constitution of the Republic of Bulgaria introduced Article 141 that empowered municipal councils to determine rates of local taxes under conditions, by a procedure and within the frames, established by the law. Through these amendments, municipalities in practice received taxation powers for the first time. At the end of 2007, the relevant changes were also applied in the Local Taxes and Charges Act, providing such powers to municipal administrations.

The new provisions did indeed provide municipal authorities with the powers to set the rate local taxes, but within a certain range, while in the early years it was very restrictive and did not allow any major differences in taxation. At the beginning, they were given an opportunity to increase certain tax rates, with the minimum levels being actually the 2007 baselines. In other words, the lack of confidence in tax policies at local level was more focused on the possibility of taxes being cut to an excessively low level rather than on the risk of over-taxation.

Revenues to Municipal Budgets

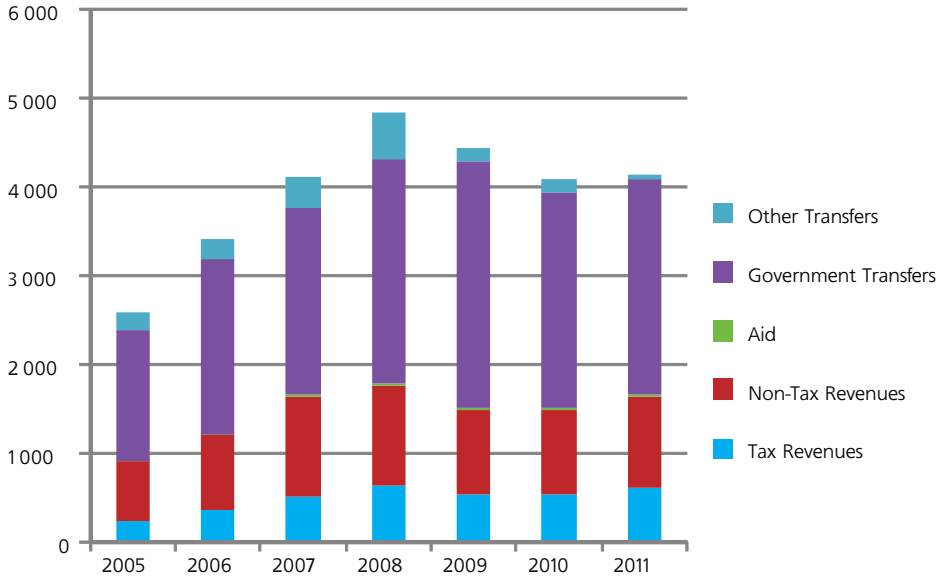
The legal thresholds of taxation adopted by local authorities have widened somewhat in recent years, allowing also for a reduction in tax rates. It has already helped establishing an actual tax policy and even competition between municipalities, but the effect on the level and breakdown of revenues was not great. Of course, the crisis has also had an impact on local revenues and it's possible that some of the potential positive developments of tax policy at local level have remained hidden. As a whole, however, the general picture over the past years did not change dramatically: municipalities continue to rely heavily on government transfers, then on non-tax revenues (charges and income from real property), with tax revenues coming last on the list.

Basically, municipalities' own revenues (tax, non-tax and state aid) continue to be less than transfers from the central budget, and it means that their fiscal autonomy is still only a wish. This trend continued despite the transfer of the license tax to municipalities (2008) and the introduction of the new tourist tax (2011) – these are only small steps with negligible impact on municipal revenues.

The graph also shows the decline in revenue in the municipal budgets after 2008; signs of recovery were not observed. The slight uplift in 2011 was achieved precisely due to own revenues while the size of transfers remained unchanged. In this case, the condition of public finances and the high dependence of municipal budgets on central transfers predetermine freezing of municipal revenues.

Graph 1:
Municipal Budgets – Revenues and Transfers (BGN, mln)

Source: Ministry of Finance, IME



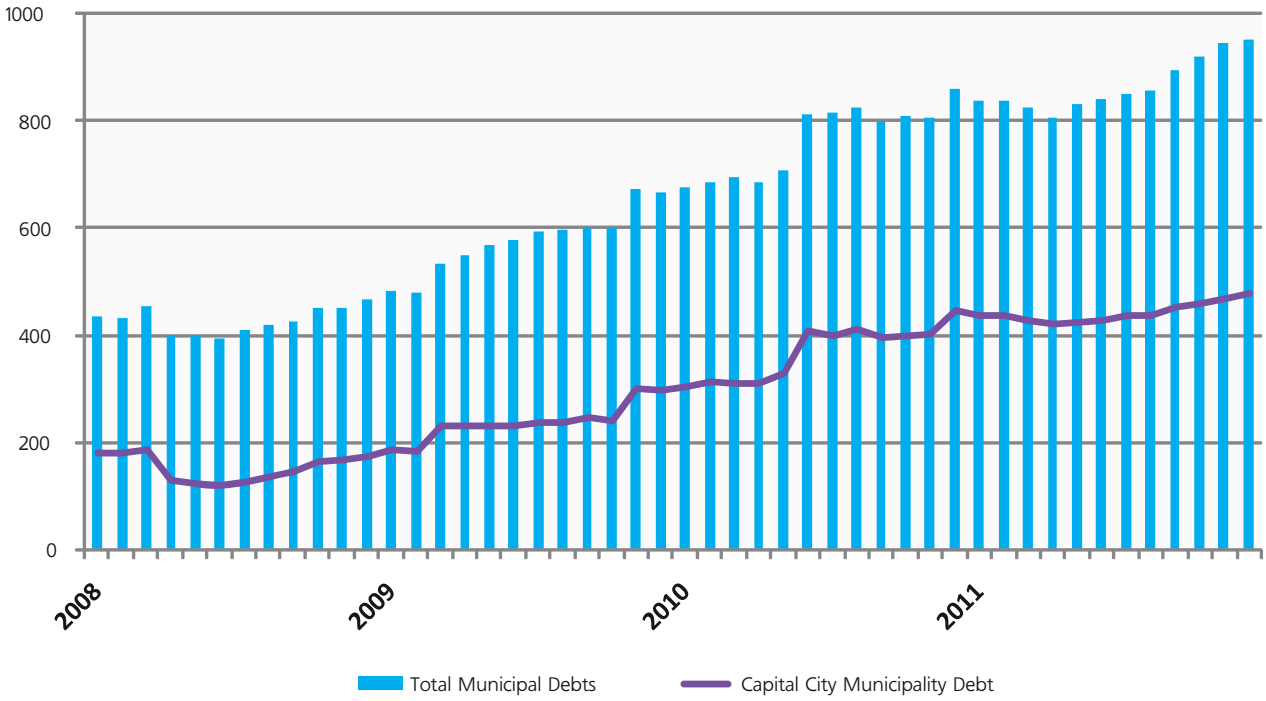
Deficit and Municipal Debt

During the „hard years", municipalities also started accumulating larger deficits; in 2009 and 2010 deficit exceeded 15% of their own revenues: a total of over BGN 500 million in deficit for the two years for all municipalities. In the last year, the deficit accumulated by municipalities shrunk to BGN 60 million (2011), with funding being mostly from domestic sources, i.e. banks.

Municipalities' smaller revenues and budget deficits understandably led to an increase in municipal debts and problems in some municipalities; there were extreme cases of freezing of accounts and temporary closure of municipal services. In early 2009, municipal debt was less than BGN 500 million, most of it domestic debt. At the end of 2011, the amount of debts already doubled, reaching BGN 950 million, with external debt slightly larger than the domestic one.

Graph 2:
Municipal Debt
(BGN, mln)

Source:
Ministry of Finance, IME



It is important to note that half of all municipal debt is held by the Sofia capital city Municipality. Its debt is entirely external, undertaken through municipal loan agreements, and represents almost the entire external municipal debt in the country. Practically all other municipalities in the country only have domestic debt.

Currently, the amount of municipal debt is about 60% of the municipalities' so-called „own revenues" which may seem stable, but there are two factors that should not be overlooked: the rapid growth of municipal debt in recent years, and its distribution. Cumulative municipal debt is an important and interesting indicator, but the actual problems and payments are divided into 264 municipalities. The debt of the capital city is an example of just that. There are quite a few municipalities with no accumulated debt at all and this issue is simply not on their agenda: at end- 2011, 75 municipalities in the country had no municipal debt.

The largest debtors in absolute terms are shown in the table below. Compared to own revenues and the adjustment subsidy, at the end of 2011 municipal debt was largest in the municipalities of Kyustendil, Varna, Peshtera, Hissar, and Simitli. In these municipalities, the size of debt exceeds their own revenues and the adjustment subsidy.

Table 1.
Municipal Administrations in Debt Top 12 (2011)

Municipal Administrations	Municipal Debt for 2011 (BGN, mln)
Sofia /Capital Municipality	477.7
Varna	71.6
Plovdiv	45.9
Burgas	22.7
Pazardzhik	21.6
Sliven	19.5
Haskovo	16.3
Kyustendil	15.4
Shumen	15
Dobrich	11.5
Balchik	10.9
Smolyan	10.2

Source: Ministry of Finance, IME

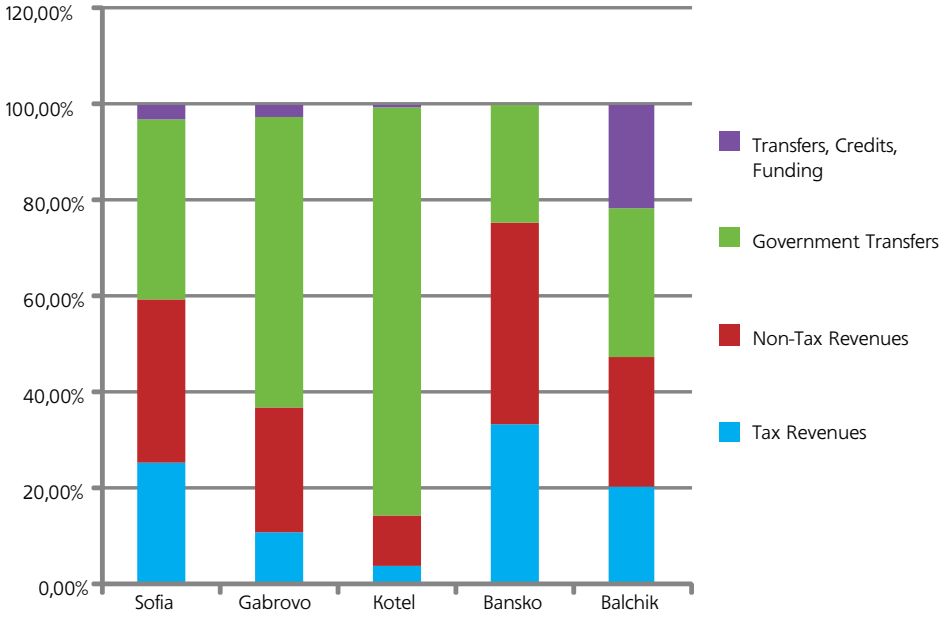
The overview of municipal budgets shows serious differences vis-à-vis fiscal independence or dependence on state transfers. In Sofia, for instance, own revenues exceed transfers and reach up to 60% of all budget revenues. Varna is also close to 60%, while in Plovdiv and Burgas the rate is about 50%, i.e. half the revenue is from own revenues and the other half is from transfers.

Own Municipal Revenues

In Gabrovo, the municipal own revenues are about 35% of the total revenues while tax revenues account for only 10% of the municipal budget. In smaller settlements like Kotel, own revenues account for just 15% of the budget, and tax revenues are such small amounts, nearly negligible. The picture in most cities in Bulgaria resembles the one in Gabrovo and Kotel. Own revenues in the 28 largest cities account for 30-40% of the budget, while in smaller towns they are in the 15-20% range. Resort municipalities along the Black Sea coast and in mountains are an interesting case in point: the proportion of own revenues there is significant and sometimes exceeds the figures for the capital city. In Bansko for example, own revenues are over 75% of the budget. This is largely determined by the profile of municipal revenues, primarily tied to the value of the real property because property tax and the garbage collection charge depend on the size of property and its value. In places with active construction developments and high demand, respectively the high value of real property, and municipal revenues are sizeable and achieve greater fiscal independence.

Graph 3:
Revenues of Selected Municipalities (2011)

Source:
Ministry of Finance, IME



In general, some degree of financial independence has been achieved in the largest cities and resorts where the value of the real property is highest. Even there, however, tax revenues account for no more than 20-30% of municipal budgets, which is illustrative of the challenges the financial autonomy of Bulgarian local government is yet to face.

In the great majority of municipalities, i.e. outside the largest cities and resorts, the situation is even more revealing. About 1 out of each 10 BGN in the budget comes from local tax. Even where own revenues account for a larger portion of the budget, if these are mostly generated from charges and fees, we can hardly speak of financial independence. Local policies and the competition between municipalities can happen in the fullest extent if it relies on the tax policy, respectively on the revenue from taxes.

Local Taxes and Fees

The new powers of municipalities obviously did not automatically result in financial independence, but nevertheless municipalities already have their own taxation policies in place. Let us look at developments in several specific taxes and charges over the past years: tax on real estate for legal entities, tax on vehicles, license tax and household waste collection fees for non-residential company property.

Immovable Property Tax for Legal Entities

The tax on real estate owned by companies attracts the greatest amount of interest from the point of view of local taxation. Municipalities' policy-making in this regard has been relatively active since 2007, which means that tax competition is in place at local level. The chart below shows the tax rates in 198 municipalities across the country - both for the current year 2012 and the baseline 2007. The year 2007 was taken as a baseline as it was the last year in which the tax rate was the same for all municipalities under the Local Taxes and Charges Act.

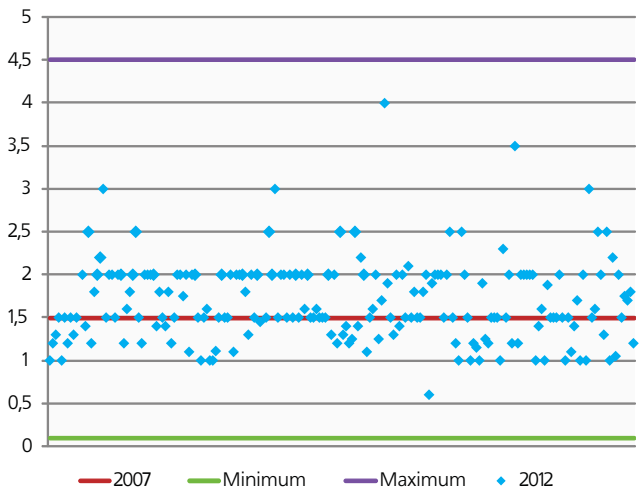
It is worth noting that, given the limits set by law from 0.1 to 4.5 per mil (as of 2012), the tax rate is usually within the range of 1 to 2 per mil. There are occasional examples of higher rates, with the highest rate being in Nikopol (4 per mils) and in Elin Pelin (3.5 per mils). The only rate below 1 part per thousand is in Hissarya - 0.6 ppt, which a record-low level for the country.

Interestingly, local tax policy is relatively sustainable, with no significant changes during the years. For example, last year saw only isolated cases of changes in real property taxation, which could be due to the on-going financial problems for both businesses and the municipality.

In the case of real estate, the tax base is very important, i.e. the value of the property the tax rate is charged on. Years ago, local tax on real estate was determined on the basis of the „tax evaluation" for natural persons (residential property) and the book value for companies (non-residential property). The difference is that in the first case the rate is fixed by the tax authorities – „depending on the type of property, its location, area, structure and physical amortisation", while in the other, the property's book value (or historical price) is being taken. The difference between the two tax bases can be quite significant both for old buildings whose book value is often lower than the possible tax evaluation, and for newly built property, where the tax evaluation could be much lower than the book value.

Graph 4:
Immovable Property Tax for Legal Entities (‰)

Source:
IME



New provisions which came into force in early 2011 state that for real estate owned by companies, the higher value will be taken into account when choosing whether to use the carrying value or the tax evaluation. This change caused much debate because it is entirely in favour of the taxation authority: it does not define which evaluation is right (correct) but simply which one is higher. To some extent, this was taken into account by municipalities; over the past two years there were almost no cases of increasing property tax rates for businesses because the higher base was offset by the unchanged rate. The result was still an increase in revenue from property tax by about 12 per cent in 2011, probably resulting from the new provisions on the tax base.

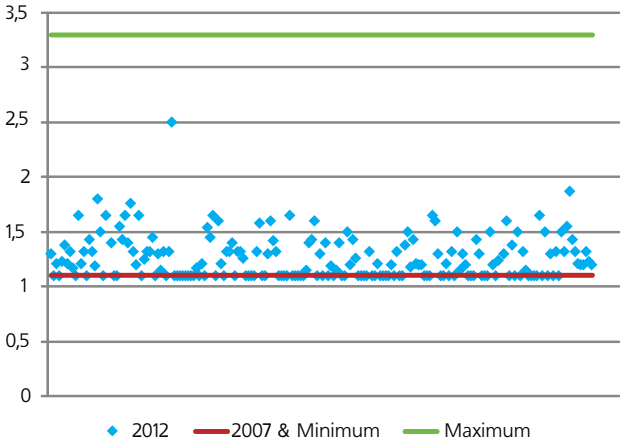
Vehicle Tax

Tax on vehicles is another key source of revenue for municipalities. In this case, we will focus on cars with a capacity between 74 kW and 110 kW. The law is quite strict on this count: BGN 1.10 to 3.30 per 1 kW. Actually the lower limit is equal to the base level from 2007, i.e. no option was provided to cut this type of tax. Below are the rates for the „base" year 2007 and the current year 2012:

Most rates do not exceed BGN 1.50 per 1 kW, with many municipalities keeping down to the minimum. These figures and the experience with property taxation shows that the lack of opportunities to reduce the tax to the „base" 2007 levels certainly stops some municipalities from reducing that rate. The highest rate is in the municipality of Ruzhnitsi, with the change introduced as early as in 2008. The question remains why the legislature keeps the minimum at the base levels when experience with other types of tax has identified no problems.

Graph 5:
Vehicle Tax (BGN per kW)

Source:
IME



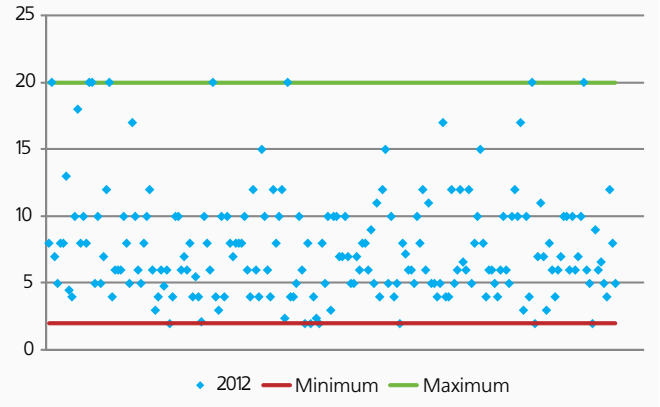
Annual license tax for retailers

The annual license tax was only recently (2008) ceded to municipalities and its development is another interesting point. In this case, we are looking into the license tax for retail trade on up to 100 square metres of shopping area. Figures for the year 2012, as well as the legal minimum and maximum, are shown below.

By law, the limits for this type of tax vary from BGN 2 to 20 per 1 sq.m. Figures show that most municipalities have set rates at the lower end of the specified range, mostly between BGN 5 and 10 per sq.m., but there are also examples of extremes: the maximum rate is set in municipalities such as Varna, Blagoevgrad, Haskovo and Sofia capital city, while the minimum rate is applied in municipalities such as Varbitsa, Maritsa, Makresh, Medkovets, and Yakimovo. In this case, differences are traditionally predetermined by the size of the municipality and have remained unchanged since before the amendments to the Constitution and the new powers given to municipalities. This type of tax is rarely changed; the vast majority of municipalities have kept it at familiar levels over the past several years.

Graph 6:
Annual License Tax for Retailers (BGN/sq.m.)

Source:
IME



Annual Waste Collection Charge for Properties of Legal Entities

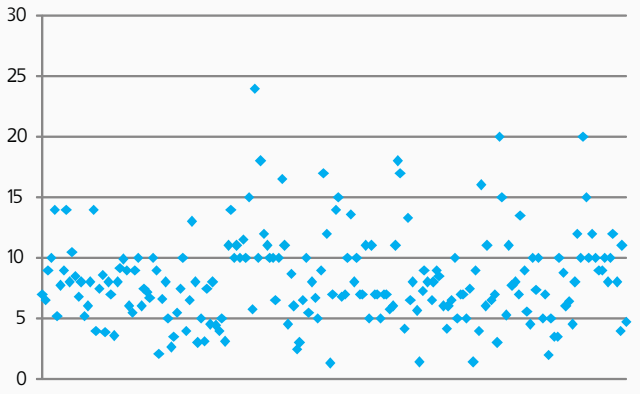
Annual waste collection charge is a key revenue source for municipalities forming a significant part of the so-called „non-tax revenue". In this case, we are looking into the waste collection charge for non-residential property owned by companies because it is most relevant to the economic processes in municipalities.

In this type of charge, there are no minimum and maximum rates set – a fact that predetermines large discrepancies. The so-called „garbage charge" rate is the highest in the municipality of Kocherinovo, followed by Godech and Svilengrad. Among the district centres, the garbage charge is the highest in Pazardzhik – 14 per mil of the tax evaluation, while the lowest rate is in Sliven – 1.4 per mil, followed by Gabrovo – 3.1 per mil, and Varna – 3.9 per mil. Where garbage charge is concerned, there have been significant changes in recent years, with rates reduced in most places.

The garbage charge, similarly to property tax, is determined in proportion to the property evaluation when the quantity of household waste cannot be determined. Here, municipalities are free to determine the base themselves: either book value or tax evaluation. In some municipalities, the property tax model was adopted. For example in Razgrad, the higher value of either tax evaluation or the book value is used for the garbage charge, as well. The figures show that changes in the tax base had a significant impact on the per-mil charge in many municipalities: district centres saw a decrease in the garbage charge rate over the past 1-2 years. In Razgrad, the per-mil charge was changed from 11.5 to 6.5 because of the changed base.

Graph 7:
Annual Waste Collection Charge for Properties of Legal Entities (‰)

Source:
IME



Conclusions, Developments and Recommendations

Changes in recent years have shown that municipalities are already implementing a more active taxation policy, but this did not lead to changes of the structure of revenues and setting a greater degree of autonomy. Municipal own revenues do not have much in common with the economic developments in the respective area: real property is being taxed while profits and incomes barely affect local budgets. In practice, the arrival of a major investor does not automatically generate benefits for the local budget, instead it even takes away incentives encouraging local authorities to work for a better business environment. It is the lack of development incentives that is the leading argument for more powers and responsibilities at local level.

The updated Decentralisation Strategy (2006 - 2015) clearly states that „The general trend in Europe is to transfer services, powers and resource from central to regional and local levels of government, according to the principle of subsidiarity". However, the revised strategy and its implementation programme contain few development incentives in terms of financial independence and taxation policies at the local level. The idea of going in that direction is generally supported but even if applying all practical measures, the plan is to achieve approximately 1 / 2 of the municipal revenues to be its own, i.e., ideally, we will have achieved a partial financial autonomy.

With regard to tax policy at local level, the measures discussed in the Strategy could be grouped as follows:

- Introduction of new local taxes: license tax became local, and in 2011 a new „tourist tax" was introduced;
- Allowing more freedom in establishing local taxes: the range has already been extended ;
- Increase of revenue from property tax: changes in the tax base (tax evaluation or book value, whichever is higher) have already been applied;
- Restructure the taxation system: the focus is on income taxes, but there hasn't been any development in that area.

The above shows that most measures have already been implemented but no major impact in terms of real financial autonomy is evident. License tax and tourism tax are not large revenue sources. Municipalities have leeway to set rates and they do have active policies but it has failed to result in higher taxes and larger revenues. If the rates of „central" taxes remain unchanged, this would result in increasing the effective tax burden on businesses and citizens. The changes applied to the tax base will result in more income, yet it is not a sustainable long-term solution. It takes us to the concept of restructuring the taxation system as key aspect of achieving financial independence.

„Restructuring" should be understood as transferring to municipal existing taxes (or portions of taxes) currently collected by the central government. They may include direct taxes – income and corporate tax, or for instance a portion of VAT. The topic has been widely discussed over the past years, and there have been all sorts of proposals. The most feasible option at present, and as stated in the Programme for the implementation of the Decentralisation Strategy (2010-2013), is for a portion of the personal income tax to be transferred to local taxes. Although it has been listed as a measure in the Implementation Programme, putting it to practice in the short term is highly unlikely because there will be both political and administrative obstacles and issues hindering this process.

Municipalities will find it difficult to win greater fiscal decentralisation if they fail to improve their budget effectiveness and transparency or the way municipal companies and property are currently managed. A lot of effort is needed in this direction. If good results are shown, any demands for more powers and resources will be more successful and convincing.

It would involve at least the following two measures:

- Transition to an effective programme-based budgeting at local level: it results in greater effectiveness and transparency, yet currently it is not adequately implemented;
- Ensure the improved transparency of municipal budgets and the budgeting process, to increase cost-effectiveness. Furthermore, without achieving minimum levels of budget transparency, it would be difficult to persuade citizens and politicians that greater fiscal autonomy is indeed justified.

It would open the way to financial decentralisation and greater financial independence, with some possible changes in this direction such as:

- Parliament would no longer set limits to local taxes; the decision and the responsibility would entirely fall with local government;
- At least one direct tax would become local – for instance, personal income tax. Direct taxes are not at all central government's main source of revenue, so transferring them to the closest government to the citizens would not be an illogical step;
- Municipalities would receive a „share" of economic growth – i.e. a proportion of the revenue from as many types of taxes as possible, particularly those associated with local economic activities (f.e. a percentage from the revenue from profit tax, VAT, excise duties);
- Municipal revenue collection and spending powers would be balanced so they are no longer dependent on the state budget, creating a fiscal asymmetry;
- Open and transparent privatisation of municipal assets;
- The powers of municipalities in the area of economic and social policy would increase.

Municipal councils and mayors are fully responsible for the development of the municipality and it is perfectly normal that they should have the right to set tax rates applicable to local residents. It would allow for all types of policies to be developed at local level, including social programmes and investment in infrastructure. It would be a decision made by local government officials and by voters themselves. If residents in a given municipality do not want massive public spending, let setting low local tax rates. On the other hand, if people from another municipality believe that local government should take matters into its own hands and provide funding for various policies, then let local tax rates be high. It would be an expression of a different approach and of real competition between municipalities. But the fact is that the presence of tax competition protects citizens from over-taxation while at the same time it compels even those who levy high taxes to spend the money collected in a more efficient manner.

Main Trends in Primary and Secondary Education

The indicators included in the „Education" category for this analysis reflect various aspects of the education process across the country and largely reveal the dynamics in primary and secondary education in separate districts.[1]

A classic indicator of the quality of education is the number of teachers per 100 students in primary and secondary education. Also relevant to the quality of education are the results from the compulsory matriculation exams in Bulgarian Language and Literature, as well as the relative proportion of students who failed to achieve the lowest passing score of 3.00.

Other indicators aim to measure the facilities and equipment needed for the educational process, using the „number of population per school" indicator, which is highly influenced by the demographic trends in each district. The net enrolment rate of population in various educational stages, the proportion of dropouts from primary and secondary educational institutions and the proportion of class-repeaters provide information about the capacity of the educational system and its performance.

The main conclusions from the analysis of data for these indicators in the period 2001-2011 include:

- a pronounced tendency of rapid decrease of the number of students, teachers, and schools due to negative demographic processes;
- impeded access to the school network due to the need of optimising the number of schools and teaching staff in response to migration flows and demographic changes;
- a decrease of the number of school leavers as a result of the deteriorating situation on the labour market post-2008, and the fear that schools will be closed and teachers laid off in districts with the most negative demographic dynamics;
- risk of lowering the quality of educational outcomes and the school environment because of attempts to artificially retain students within the educational system;
- decline in the number of students graduating from technical schools, while at the same time graduates' level of practical training is also deteriorating.

1 In analysing separate districts and scoring their performance in „Education", several indicators related to higher education and the education level of local population also have certain impact. The present analysis, however, follows the trends in primary and secondary education.

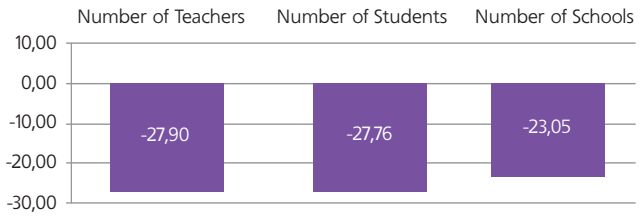
The Impact of Demographic Factors

Demographic factors influence the education system directly as a result of the shrinking number of young people (under the age of 19). The smaller number of children of school age requires optimisation of the school network, the organisation of classes and teaching staff.

Another factor that has led to the closure of a huge number of schools in the period 2001 - 2011 is the movement of the population from smaller settlements to bigger ones. During the period under review, 793 out of 3,439 primary and secondary schools were closed around the country, or nearly one in every four schools. During the same period, only 3 districts have closed less than 20% of existing schools (Stara Zagora, Dobrich, and Plovdiv) while Sofia (city) is the only district where the number of schools has increased. At the same time, in districts such as Yambol, Shumen, and Targovishte, the number of schools has decreased between 37% and 42%.

Graph 1:
Decrease of the Number of Teachers, Students and Schools (2001-2011), %

Source: NSI



Demographic processes have a negative impact not only on the employment of teachers and the use of school facilitie-s, but also on the access to education. Students from smaller settlements are often forced to travel on a daily basis to district centres or bigger towns nearby just to be able to participate in the educational process. In itself it further boosts the migration intentions of young families in sparsely populated areas, who want to ensure a good education for their children, which means that from a certain point onward the process of depopulation becomes self-propelled.

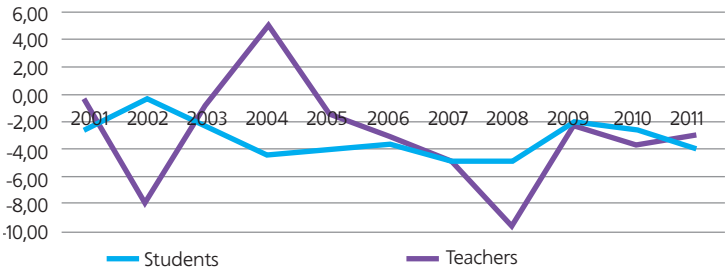
The number of teachers and school children/students in primary and secondary educational institutions decreased at a uniform rate of nearly 28 %. The uniform rate of reduction in the number of teachers and students is determined by the fact that the teacher/student ratio is legally established.

The number of schools is decreasing more slowly due to the options for restructuring in the school network such as merging classes from adjacent schools. The reason is that schools have certain fixed costs: taxes, maintenance, cleaning, administration, etc. which, in case the number of students is smaller, would weigh heavier on the school budget.

These trends are objectively the result of the urbanisation and demographic changes across the country. Intentions to reverse or at least delay these processes sometimes result in measures which actually worsen the quality of the education. For instance attempts to keep poorly performing or „problem" students at school result in deteriorated educational outcomes. Although, in the short term, it is indeed an option to ensure the survival of a given educational establishment and keep the teaching staff employed, in the long run surrendering the quality of educational standards would result in negative consequences such as loss of interest in school, non-recognition of diplomas by employers, inability to recruit good teachers because of the worsening reputation of the profession, and other effects.

Graph 2:
Changes in the Number of Teachers and Students (2001-2011), %

Source: NSI



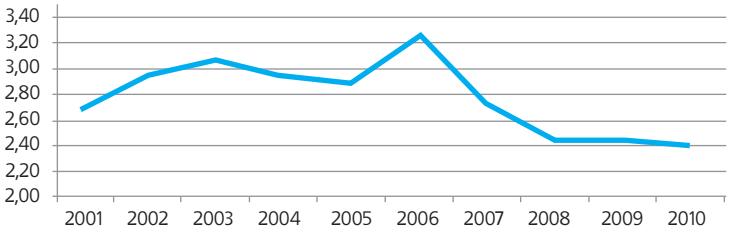
The Effect of the Crisis

Since 2006, there has been a gradual decrease in the relative share of school leavers. The highest percentage of 3.2% was recorded in 2006. After the onset of the economic crisis in 2008, the proportion of school dropouts has decreased considerably, reaching its lowest levels of 2.4% in 2010.

The decline can be explained by several factors, the leading one being the limited economic activity of the population in most Bulgarian districts. It directly reflects in the lower demand for workers in the labour market.

Graph 3:
Percentage of Students Who Have Left the Educational System (2001-2010), %

Source:
NSI

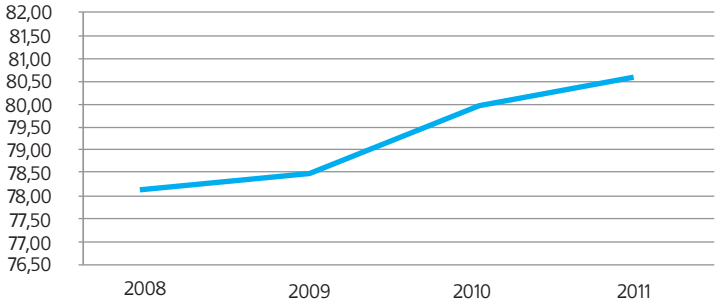


Young people, who would otherwise have left school in order to start a job, are unable to do so and respectively to continue studying at school. Such conclusion is confirmed by the increase in recent years of the net enrolment ratio in higher educational grades (high schools) after completing grade 9, that increased by 1.8 percentage points over the period 2008 - 2011. Students in these grades are of an age allowing them to start regular employment.

Another factor that influences the shrinking number of school dropouts are the much more lenient discipline requirements in schools, due to fears that classes or even entire schools would be closed down as a result. This fear results in attempts to artificially keep non-performing students in the education system. Furthermore, the fact that the score from the matriculation exams is recognised when applying for certain specialties and universities has led some students to continue and complete their secondary and „try their luck" in university admission campaigns.

Graph 4:
Net Enrolment Rate of the Population (grades IX to XIII)

Source:
NSI

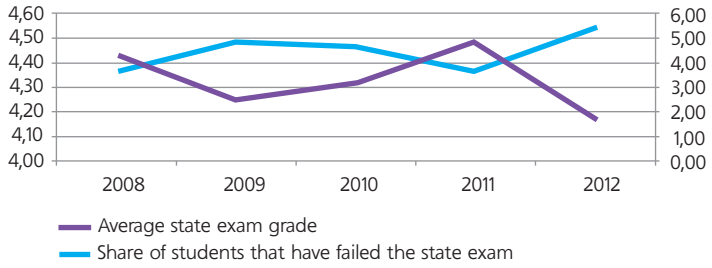


State Matriculation Exam Results

The compulsory matriculation exam in Bulgarian Language and Literature (BLL) after completion of Grade 12 was introduced during the school year 2007/2008, and the average grade score in the period until 2010 varied from "good 4.41" (in 2008) and "good 4.25" in 2009 to good 4.32 in 2010. In 2011, the average exam scores for the country rose to "good 4.49" but then fell to the lowest ever level of 4.18 in 2012.

Graph 5:
Average state Matriculation exam grade and percentage of failed students

Source: NSI



When the matriculation exam was first introduced, the intentions were to start from a low level of difficulty and gradually increase it. It may be one explanation for the lower scores each year and consequently the higher number of students who scored below 3.00 in recent years, especially during the school year 2011/2012. The higher number of „fail" scores from the matriculation exams explains the varying indicators and the lower average grade.

When comparing the average results, it becomes evident that the educational systems in some districts have experienced major difficulties in preparing their students for the 2012 matriculation exams. It applies, for instance, to Yambol, Pleven, Vidin, Razgrad, Shumen, and Montana. Practically the only districts which in 2012 achieved lower percentage of „fail" scores (under 3.00) compared to 2008 were Dobrich, Sofia, Targovishte, and Blagoevgrad.

Some districts have managed to achieve higher average grade scores from the exam in spite of its increasing level of difficulty. This difference in performance between districts rather illustrates the weaknesses in the adaptability of some districts where students failed in great numbers, with the resulting deteriorating quality of their educational outcomes.

However, it is far from true for all districts. A good example in this respect is Yambol, where the fluctuations in the average score and the share of failed students are quite large when compared for instance with Blagoevgrad, where the differences in performance for each year are in unison with the country average. Regardless of the level of difficulty of the exam, the percentage of scores below 3.00 (failing) in Blagoevgrad remains between 3.4% and 5.4%, while in Yambol the difference is between 1.7% and 10.6%. Similarly, the average score in Blagoevgrad varies between 4.19 and 4.46 (or within 27 hundredths), while in Yambol it is between 3.98 and 4.56 (or 58 hundredths). Thus, despite the large share of scores under 3.00 (fail) in 2010 and 2012, in three of the last five years the average score in Yambol was actually higher than that in Blagoevgrad.

The large differences in students' performance at the matriculation examinations show that many educational institutions are still seeking the best methods to provide quality education to their students.

Lack of Interest in Vocational Schools

In many districts the largest decline in the number of students who have completed their primary and secondary education is due largely to the shrinking number of graduates of vocational high schools. This trend clearly indicates a shift of the interest from professional schools to liberal arts and specialised schools. The lack of interest is mostly explained by expectations that upon their graduation, possible job positions would be hard to find and low-paid, and that the profession would not be prestigious.

For the period 2008 - 2012, the number of graduates of profiled, general and vocational schools has decreased by different rates, and it largely reflects the students' preferences to one kind of education or another. The fastest decrease is reported in the number of vocational schools graduates; in 2012, nearly 32% fewer students completed their training at this type of schools than in 2008. There is somewhat slower decline in the number of students completing general education (about 25%), and the decrease is slowest for profiled high schools (less than 10%).

For the period 2008 - 2012, the largest decline among high school graduates was observed in Silistra (37.2%) while the lowest was in Burgas (14.4%), Targovishte (16.3%), Kardzhali (16.7%) and Razgrad (16.7%).

The decline in the number of vocational high schools graduates is the highest for Smolyan (48.7%) and Sliven (44.6%). It is about 40% in Varna and Dobrich, and lowest in Targovishte (14.5%) and Razgrad (17.8%).

The lack of interest in vocational schools and the reduced number of graduates creates serious problem for businesses which are already experiencing major difficulties in employing vocational high school graduates. Many companies are forced to rely on people of retirement or pre-retirement age.

The option of hiring young and inexperienced staff entails additional costs needed to provide practical training or retraining, and occasionally even the risk of scrapping products that many companies are not willing to take.

The shortage of staff is not only caused by deficiencies in the school system but also in re-qualification programmes and life-long learning. More than half of the programmes in this area are funded with public money, and most of these programmes are run by the Employment Agency. For this reason, the emphasis is above all on training the unemployed and only to a very small degree – to re-train or improve the skills of those already in employment. Part of the problems with these programmes are identical with the problems related to occupational high schools: obsolete training, too much theory and very little practice, no real connection between labour market demands and the skills acquired by trainees.

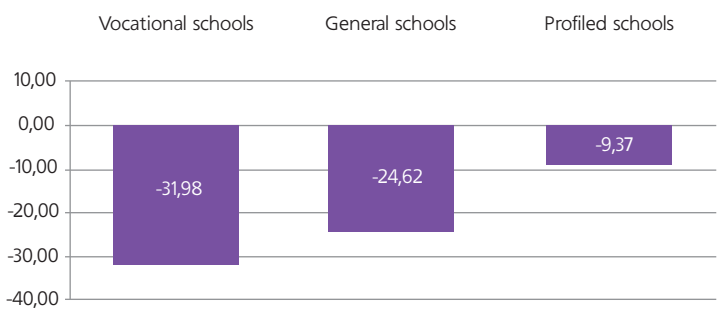
In spite of these shortcomings, some positive results have been achieved over the past years. In many places the private sector has taken steps to ensure the necessary training independently, by organising free training courses and internships, and hiring employees for longer trial periods. It helps create the precise work-related qualities and skills that businesses need, while the private sector is better positioned to get to know its potential employees.

Another observation worth noting is that the shortage of workers in some places encourages labour mobility both within districts and between them. Large companies are an active participant in this process by providing organised transport to the workplace. Expectations are that this sort of mobility would be further stimulated by the gradual improvement of the road network, using EU funds.

Table 1:
Average State Matriculation Exam Grade and Percentage of Failed Students

District	Score 2008	Score 2012	Change (basis points)
Yambol	1.7%	10.6%	890
Pleven	3.8%	8.0%	421
Vidin	4.2%	8.3%	415
Razgrad	8.6%	12.1%	350
Shumen	5.5%	8.9%	341
Montana	6.2%	9.4%	326
Varna	2.2%	5.1%	291
Burgas	3.8%	6.6%	283
Veliko Tarnovo	3.5%	6.2%	269
Pazardzhik	4.2%	6.8%	259
Stara Zagora	1.7%	3.9%	227
Haskovo	6.2%	8.4%	220
Sliven	4.3%	6.5%	217
Kyustendil	5.9%	8.0%	210
Smolyan	3.7%	5.6%	185
Bulgaria	3.7%	5.4%	174
Vratsa	4.6%	6.3%	170
Plovdiv	3.5%	5.0%	152
Gabrovo	3.4%	4.7%	132
Sofia (capital city)	2.4%	3.7%	128
Ruse	4.7%	6.0%	126
Lovech	2.3%	3.6%	125
Kardzhali	3.1%	4.2%	111
Pernik	3.9%	4.5%	60
Silistra	4.6%	5.1%	56
Blagoevgrad	5.4%	5.4%	-3
Targovishte	8.2%	7.6%	-63
Sofia	2.9%	2.1%	-79
Dobrich	4.2%	3.2%	-105

Source: Ministry of Education, Youth and Science



Graph 6:
Decrease in the Number of Graduated Students (2008-2012), %

Source: NSI

Conclusion

The educational trends presented above are the natural result of negative demographic processes developing in most districts. Streamlining the school network in order to save money for building maintenance and higher pay for teachers is a logical step; however, it must be done without compromising access to education. The absence of real competition between schools in some smaller settlements certainly does not help in improving the quality of education.

One of the few positive developments outlined in the analysis is the slower rate of decrease of the number of teachers and students in schools over the period 2009 - 2011 as compared to the period between 2004 and 2008. Over time, some examples of good practices have emerged: employers offering special programmes for practical training of upper grades students. The most direct path to increasing the demand for graduates from various schools is to create a bridge between businesses' needs and the trends of development of the education system. For this to happen, however, schools need to be placed in a competitive environment not only through the right to distribute their own funds but also by giving them more freedom in the overall organisation of the educational process.

Business Surveys:

Corruption and Poor Administration Go Hand in Hand

In May, a number of surveys were conducted among businesses and citizens in all 28 districts of the country for the purposes of this study. The aim of the surveys was to supplement the statistical information available with the subjective perceptions of the business environment and living conditions in separate districts.

The results of completed surveys among businesses and citizens outline some intriguing results and interdependencies which deserve our attention. Given the importance of corruption and the operation of administrative services for the business environment in each district, most questions in the survey addressed to business representatives dealt with these two issues. Below is a summary of the results:

Corruption

1. Considering the relatively high level of corruption in the country compared to other EU countries, judging by the internationally recognised Corruption Perception Index developed by Transparency International, major differences were reported between separate districts. Contrary to expectations, there are quite a few districts in the country where the level of corruption perceptions is very low, i.e. local business people and citizens believe that the level of corruption in their particular district is very low. Thus, judging from the surveys conducted within the business community, the districts of Razgrad, Targovishte and Smolyan appear to be „corruption-free"; the average score for these districts is between 4 and 5, where 4 means a low corruption level, and 5 means very low. These perceptions for minimum levels of corruption were confirmed also by the results from the survey among citizens in the Targovishte District, but not for the other 2 districts, i.e. based on data from the surveys conducted, it would be safe to say that Targovishte is perceived as a district with a very low level of corruption both by local companies and by citizens.
2. At the other end of the spectrum are the most corrupted municipalities according to perceptions reported by businesses. Among them the absolute „champion" is Sofia, with an average score of 1.71, where 1 is a „very high level" of corruption, and 2 means a „high level". Pernik and Kyustendil are in the „top three" with an average score close to 2.5, i.e. between „high" and „medium" corruption level. Shumen and Veliko Tarnovo also stand out with higher than average levels of corruption.
3. The questionnaires for businesses' perceptions of corruption contained questions divided according to the various institutions where such practices could be encountered: municipal administrations, district administrations, regional state institutions (e.g. Labour Inspections, Labour offices, Social Assistance Directorates etc.) the police, and judicial institutions. Generally, questionnaires completed by companies made no clear distinctions between local institutions in terms of corruption. In other words, the differences between the levels of corruption in various institutions within the same district are small and the levels of corruption are similar. In several districts, however, there are noticeable differences between institutions, with the high level of corruption in the judiciary and police outweighing the better results for other institutions covered by the survey. These are for example the district of Burgas and Sofia (capital) District where the police and the judiciary are perceived by businesses as far more corrupt than other institutions.
4. In addition to the general perceptions of corruption in various local institutions, the business survey sought to outline the procedures providing the richest „feeding ground" for corruption. Towards that effect, business representatives were asked how often (in their sector of operation) companies have to make corrupt or „irregular" payments. The questionnaire listed several common cases of companies interacting with local authorities. These cases included public procurement deals, registrations and permits from local government services, administrative services provided by local authorities, etc.

It is noteworthy that businesses were generally not overly critical of informal payments. On the one hand, it may be due to the lack of experience or direct observations of such practices, on the other, due to the non-exhaustive list of examples of situations in which businesses most commonly interact with local authorities, or, thirdly, the responses might just be guided by reluctance to go into details about common corruption practices. Judging by the responses to this particular question, it can be concluded that informal payments are relatively rare in the country, except for several districts. For comparison, when it comes to corruption, rather opposite is true: it is a relatively widespread phenomenon across the country, with a few exceptions only.

Nevertheless, Pernik District managed to re-confirm its leading position in the area of informal payments, too; these practices are the most frequently encountered in Pernik when compared to the rest of the country. Sofia (capital) is also reported for the common use of unofficial payments. Another interesting observation from the survey is that such payments, where considered „common practice" by businesses, have been reported in all the cases listed, i.e. if there are perceptions of informal (facilitation) payments, they are widespread in the entire district: for public procurement, various administrative services, permits, etc.

A similar situation is also observed with corruption, where the overall differences in perceptions between separate institutions within the same district are small. This interdependence could be revealing a „contagious" effect where corruption perceptions are concerned: if one or more institutions in the same district are considered corrupt, then this results in the rapid infiltration of corruption practices into other institutions, or automatically creates similar public perceptions of corruption in other institutions, too.

Interaction with Local Administration

The evaluation given by businesses of the work of local municipal and district administrations is largely consistent with the results on corruption. The districts with relatively high perceptions of corruption are also the districts where businesses give the lowest score to local administration's performance. Among these are the districts of Sofia, Pernik, and Kyustendil, with a score of 2.5-2.6 on a scale from 1 to 5, where 1 means „major flaws", and 5 means „no flaws". Somewhat surprisingly, the group of districts with relatively low scores for local administration performance includes Stara Zagora that is not listed in the category of corrupt districts.

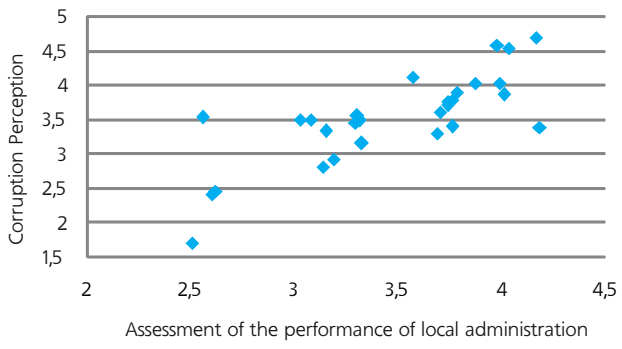
Similarly to the indicators discussed earlier, although the question about the operation of municipal and district administrations allows for separate scores in several areas - competence of staff, speed, friendliness, etc. the same propensity to small variance between separate scores is observed within each district. Administration employees are either perceived as being quick, competent, friendly and incorruptible, or quite the opposite, but mixed „typologies" (for instance highly competent and corrupt at the same time) are generally not observed.

Meanwhile at the other end of the scale are Burgas, Pazardzhik, Razgrad, Targovishte, and Smolyan with scores of about 4, having in mind that the scale is between 1 – „major flaws" and 5 – „no flaws". In these districts, administration is perceived as having no major flaws. It should be noted that three of these five districts - Razgrad, Targovishte, and Smolyan - are also characterized by some of the lowest levels of corruption perceptions.

Obviously there is some positive correlation between the two indicators - corruption perceptions and assessment of the administration's performance. This correlation is clearly seen in the scatter plot below where the separate districts are placed along the two axes – corruption perceptions and assessment of the administration's performance.

Graph 1:
Relation between Corruption Perception and Businesses' Assessment of the Performance of Local Administration

Source: Surveys conducted among businesses



The average assessments of corruption and local administration's performance by district and the statistical characteristics of correlation between the two indicators have confirmed these findings. The correlation between the two indicators is positive (0.78) and shows a very high degree of connection between these two indicators. If corruption perceptions in a given district are high, then we can reasonably expect that the score given to local administration's performance would be relatively low, and vice versa. It is important to emphasise that this correlation does not imply causality between the two indicators but only parallel movement. I.e. we cannot claim that the poor performance of administration leads to corruption or conversely, that where local authorities are cor-

rupt, it brings down the quality of services they provide. The only conclusion we could draw about this relatively high positive correlation is that often corruption and the unsatisfactory services provided to businesses and citizens by local authorities are related phenomena.

Table 1:
Relation between Corruption Perception and Businesses' Assessment of the Performance of Local Administration

	Local administration performance ratings	Corruption perception
Blagoevgrad	3,8	3,9
Burgas	4,2	3,4
Varna	3,7	3,6
Veliko Tarnovo	3,2	2,9
Vidin	3,2	3,3
Vratsa	3,8	3,8
Gabrovo	3,3	3,4
Dobrich	3,7	3,3
Kardzhali	3,7	3,7
Kyustendil	2,6	2,4
Lovech	3,0	3,5
Montana	3,8	3,4
Pazardzhik	4,0	4,0
Pernik	2,6	2,5
Pleven	3,7	3,8
Plovdiv	3,3	3,6
Razgrad	4,0	4,6
Ruse	3,9	4,0
Silistra	3,3	3,5
Sliven	4,0	3,9
Smolyan	4,0	4,5
Sofia	2,5	1,7
Sofia City	3,3	3,1
Stara Zagora	2,6	3,5
Targovishte	4,2	4,7
Haskovo	3,1	3,5
Shumen	3,1	2,8
Yambol	3,6	4,1

Source:
Surveys conducted among business

Key: The cells shaded in red mean low scores given to the performance the administration and high level of corruption perceptions. Conversely, green cells correspond to low corruption perception and high scores to the administration's performance.

E-government

Both in business surveys and the questionnaires about municipalities included some questions about the level of provision and use of electronic services by the district / municipal administration. The majority of respondents stated that they had not used electronic services provided by local authorities. The only districts where the number of users of such services prevails above the number of those who do not use them include Blagoevgrad, Sofia, Stara Zagora, and Haskovo. Among the districts with the lowest percentage of respondents who have used e-services in the past year are Kyustendil (6.3%), Smolyan (8.2%), Sliven (12.2%), Lovech (13.3%), Vidin (16.3%), and Yambol (16.3%). Interestingly, even in the capital, that has the largest concentration of young and educated population in the country, respondents who have not used these services still slightly outnumber those who have.

In conclusion, there is a strong positive connection between corruption perceptions and the assessment of local administration's performance. The districts standing out as highly corrupt are also among the districts with relatively low scores for the administration's performance. The districts of Sofia, Pernik, and Kyustendil are the worst performing and the most corrupt ones, while the best performing and respectively „cleanest" from corruption are Razgrad, Targovishte, and Smolyan. Perceptions of both corruption and the performance of local institutions are relatively homogeneous, i.e. within the same district relatively small differences are observed in perceptions of corruption and unofficial (facilitation) payments between separate institutions or with respect to various administrative services. Also slight is the variance regarding different aspects of the administration's work: competence, integrity, speed, etc. If the local administration in a given district is perceived as poorly performing, then this perception is all-inclusive, so the administration as a whole is perceived as slow, incompetent, and prone to bribery.

In terms of e-government, surveys among businesses and the municipal administration have confirmed our expectation that the electronic services provided by local authorities are only used by a limited number of business representatives. In most districts (except for four: Blagoevgrad, Stara Zagora, Haskovo and Sofia) respondents who declared that they had not used such services in the last year, far exceed the number of actual users.

Factors Determining Life Satisfaction in Different Districts

The analysis of the survey conducted among 1,952 citizens of the 28 administrative districts was focused on three indicators: score on the performance of institutions, quality of life, and corruption. Their results show an interesting contrast at the district level that is largely in line with the perceptions of the business community. Under all three studied indicators, Kyustendil and Pernik are definitely ranked at the bottom of the list. It is interesting to note that poor scores were also awarded by residents of Plovdiv, Sofia (capital) and Sofia districts. At the other extreme stands the Targovishte district with some of the highest average scores on all three indicators.

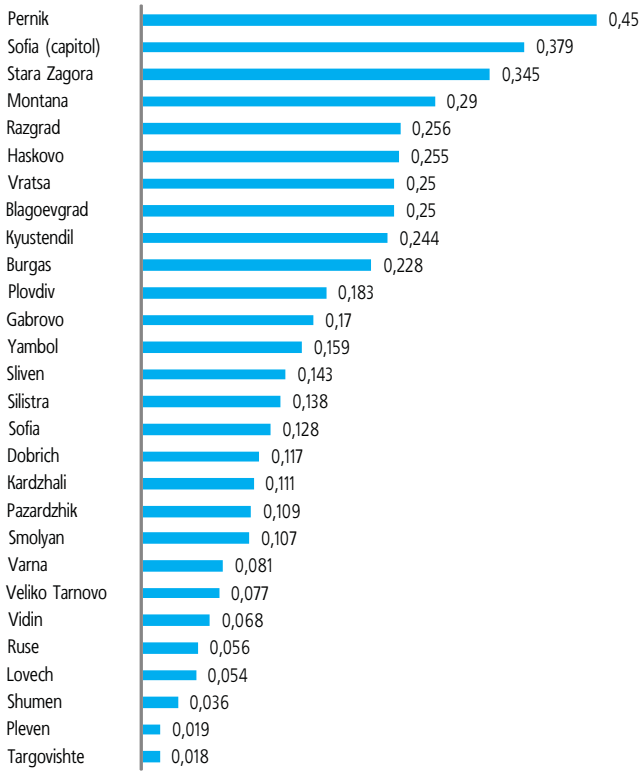
A comparison of the results by indicators lead to the following conclusions:

Local administration

In almost all districts in the country, less than half of the citizens evaluate their local administration's performance as „good" or „excellent". Exceptions include Burgas, Vidin, Veliko Tarnovo and Dobrich; in Burgas, just over 60% have given the highest score: 4 („good") and 5 („excellent"). The performance score given to the administrations in Pernik, Plovdiv, and Kyustendil, are exceptionally poor. It is hardly surprising that the majority of responding citizens perceive the level of corruption in these administrations as „very high" or „high". However, corruption is not the only reason behind the poor ratings given to administrations' performance. An example for it is the Smolyan district, where corruption perceptions are relatively low, but citizens' rating of the way local government performs is still low.

Graph 1: Proportion of People Required to Make Unofficial Payments against Medical Service during the Last 12 Months

Source:
Surveys conducted among businesses



Education

Of all institutions in the survey, the highest performance rating is given to schools. Very impressive results were returned in Targovishte, Varna and Dobrich, where over 80% of respondents evaluate the performance of the education system as either „good" or „excellent". As with all remaining indicators, Pernik and Kyustendil are again at the bottom of the score list. Schools also have the lowest level of corruption perceptions among all institutions covered by the survey.

Healthcare

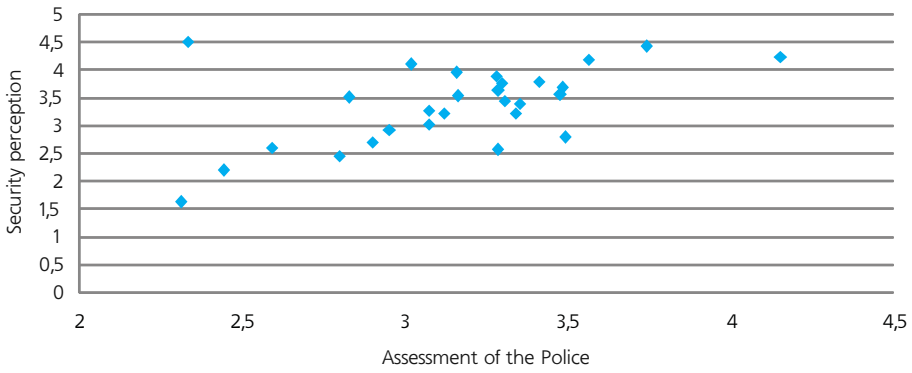
The residents of a few districts only are satisfied with the quality of medical services. Positive scores on the performance of health facilities are reported in Targovishte, Varna, Ruse, Lovech, Pleven, Kardzhali, and Silistra. These are also the districts with the lowest proportion of people forced to make „facilitating" payments for medical services in the last 12 months (see Figure 1). The highest disapproval of the way hospitals operate is in Pernik, Kyustendil, and Plovdiv.

Police

From among the institutions covered by the survey, the police ranked mid-scale, with considerable differences between separate districts. The residents of the Targovishte district, followed by those of Varna and Razgrad, are the most satisfied with the way the police service works. The lowest scores were given to the police in Kyustendil, Plovdiv, Pernik, and Sofia (capital city).

Graph 2:
Assessment of Police Performance and Security Perceptions

Source:
Surveys conducted among citizens



With regard to corruption among the police, the perceptions of businesses and citizens generally overlap. Businesses ranked police corruption as relatively low, but this „relatively low" level still means that less than half of the companies across the country believe that the police are not corrupt. The least confidence in police officers' integrity is reported in Pernik: only 3% of business respondents believe that the level of corruption in their district is „low", while 0% would rank it as „very low". At the other extreme are the districts of Smolyan and Targovishte, where more than 90% of respondents believe that corruption there is „low" or „very low". According to citizens, the police in Pernik and Kyustendil are the most corrupt, where nearly two-thirds of respondents do not trust the police. In the two largest districts centres - Sofia (capital city) and Plovdiv, over 60% of surveyed citizens responded that the police is „corrupt" or „very corrupt". At the opposite end of the scale are Targovishte, Razgrad, and Vidin.

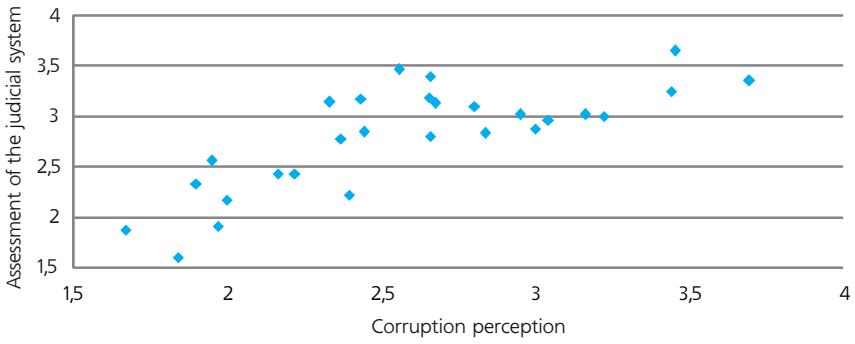
There is a certain degree of correlation between the rating given to police work and the citizens' sense of security, but there are also significant conflicting opinions. For example in Plovdiv, while 54% of citizens believe that the police do a „poor" or „very poor" job (only 17% have confidence in the police), as many as 93% ranked their security at home and in the street as being „good" or „very good". Clearly, the sense of security in the district according to respondents' perceptions is not due to the good work of the police, but rather to the lack of perception of a high crime rate. Indeed, the Plovdiv district has been traditionally characterized by lower-than-average levels of recorded criminal offences against the person and property (per capita).

Judiciary System

Confidence in the courts is the lowest from among all institutions covered by the survey. This score for poor performance was reported by both citizens and the business community. One in three business representatives rated the level of corruption among the judiciary as „high". Most extreme in this respect are the scores (two-thirds of respondents) collected in Burgas and Sofia. The districts of Smolyan and Razgrad stand at the other extreme, where the greatest level of confidence is reported with regard to the judiciary's integrity.

Graph 3:
Assessment of the Performance of the Judicial System and Corruption Perceptions within

Source:
Surveys conducted among citizens



According to citizens, Plovdiv appears to be the home of the country's most corrupt and worst performing judges: over 62% of the respondents gave the courts a score of 1 („very poor") for performance, and approximately the same proportion gave the maximum score of 5 on the level of corruption. Exactly the opposite is true for Varna, where citizens gave the highest score to judiciary performance and reported the lowest level of corruption perceptions (after Targovishte).

Quality of Life

Indicators measuring the subjective opinion of respondents about the quality of life include: satisfaction with the standard of living (income and consumption), work, education, health, social life, housing, environment, infrastructure, and security.

The first aspect to be noted is that there is no significant causal relationship between people's well-being as measured by GDP per capita in each district, and their satisfaction with the standard of living. The residents of Sofia (city), where income per capita is more than double the income of residents in the second-richest district of Varna, is ranked a poor fourth according to the level of satisfaction with the standard of living (a weighted average rating of 2.61 for all respondents). This list is topped by one of the poorest districts in the country: Razgrad, followed by Burgas and Silistra. This discrepancy can only partly be explained by the different price levels and different overall cost of living between districts, and also by differences in the structure of people's needs. Moreover, the larger differences between the income level of people living in Sofia and Varna probably also contributes to this discrepancy between the levels of average income and the sense of satisfaction with the standard of living.

The residents of Stara Zagora, Haskovo, Pazardzhik, Pleven, and Burgas are the most satisfied with their work, and, with the exception of Haskovo and Stara Zagora, there are also the people whose work satisfaction largely coincides with their perceived quality of life. At the opposite end of the scale is Shumen, where people are not satisfied with their jobs and perceive themselves as poor.

Strikingly, in many Bulgarian districts people are satisfied with the quality of the environment (air, water, etc.). There are three notable exceptions: Pernik, Sofia (capital city) and Varna, where local residents do suffer from pollution.

In terms of their own level of education, the residents of Plovdiv, Pleven, Stara Zagora, and Pazardzhik are the most satisfied, while those in Pernik and Kyustendil are again ranked at the bottom of the list.

Housing is an indicator that attracts the best ratings; it can be explained by the high proportion of home ownership in the country.

And finally, the most intriguing finding: there seems to be no relationship whatsoever between the quality of life, administrative services, corruption level and all other aspects of life covered by the survey of citizens, on the one hand, and people's desire to relocate permanently from one district to another. Most telling in this regard is Pernik District, whose residents are obviously not satisfied with the working and living conditions there, but still less than 10% responded that they wanted to move to another district while 77% would not even consider relocating. Perhaps the proximity of Pernik to the capital city and the fact that many of its residents work, study and use various services in Sofia would partly explain their reluctance to move.

The largest portion of potential migrants is reported in Montana: over 40% of the district's population, immediately followed by Sofia (capital city) at 34%. Residents of Vratsa appear to be satisfied with the place they live in (only 4% would live elsewhere), and the same applies to Yambol (5.6%), and Pleven (7.2%) - some of the poorest districts in the country.

Types of Regional Profiles: Clusterisation according to the Socio-Economic Condition and Development of Districts

Introduction

The aim of clustering the districts is to identify, describe and identify specific groups of districts whose regional profiles are similar.

As described in the methodology, this process is carried out simultaneously for all indicators characterizing the socio-economic situation and the development of districts by using neural networks.

The types of regional profiles identified may be used by different users according to their specific goals and objectives: from analysts to decision-makers who have to make informed management decisions. The key applications of this method can be outlined as:

1. Identifying complex positive or negative phenomena requiring special attention from researchers and policy makers at both local and central levels. It is possible due to the use of multiple indicators simultaneously to identify regional profiles;
2. Identifying and analysing the causes behind these and other types of regional profiles (diagnostic analysis);
3. Identifying and empirically demonstrating new scientific correlations (monographic analysis);
4. Formulating general or sectorial policies for a given type of regional profile identical for all districts within the cluster;
5. Discovering potential „best practices" as well as other potential districts where these could be applied. Because best practices would be most effective if applied to districts with similar characteristics instead of mechanically applying them just anywhere, the clustering of districts with similar regional profiles would considerably help this process;

The types of regional profiles identified as a result of the analysis describe their specific characteristics, with the most important ones appearing in their „titles". The analysis of the dynamics of socio-economic processes covers the period 2008-2010.

Results

As a result of the operation of neural networks, nine types of regional profiles (clusters) were identified. A part of the characteristics of clustered districts is largely similar, that makes them the subject of a detailed description and analysis with a view to their possible use for the above purposes. In other clusters, similarities are not so pronounced. In this sense, they are not „natural" clusters, but they are characterized in the analysis for completeness.

Very good socio-economic condition: Sofia (capital city)

The district covering the capital city outlines an own cluster and is, quite understandably, ranked in the leading position both for its social and economic indicators. Sofia (capital) only cedes its „primacy" in certain social areas, including healthcare.

Against this background there is the strongly contrasting assessment that Sofia (capital city) is one of two districts with the worst business environment; it is mainly due to the high tax rates. A good example in this regard is the tax rate for the annual retail license tax per 100 square metres of net shopping area, that is the highest in Sofia capital city): BGN 20 in 2012, i.e. two and a half times more than the average rate for the country. This district also receives one of the worst scores awarded by the business community on the level of informal payments given.

The capital city is no exception to the negative trends for the entire country in the demographic and economic spheres; here, however, they are relatively less pronounced than in other areas. Sofia (capital city) reports the highest increase in population density: the rate of increase is twice more intense than that for the country as a whole. Only two other districts (Varna and Burgas) reported an increase for this indicator. Along with the population, an increasing trend is also observed in the number of businesses per 1,000 people. It grew by 1.3% over the past three years, more than twice the average increase for the country.

Strong negative trends yet still preserving a good socio-economic condition: Gabrovo

The Gabrovo district was also placed in a separate cluster. It was caused by certain contrasts which characterize the socio-economic situation and development of the district.

The district is among those with the most negative demographic situations in the country. The outlook is rather bleak because negative processes in Gabrovo are persistently deteriorating at one of the fastest rates in the country. A similar picture emerges for education: Gabrovo reports the most negative development of all areas. The number of students in colleges and universities per 1,000 of the population in the district has shrunk by 10.2% within one year, compared to a country-average decrease of 0.1%. In addition, the proportion of the population aged 25-64 with tertiary (higher) education has decreased by 3.6 percentage points, while the nation-wide trend is quite the opposite, having registered an increase of 0.2 percentage points.

The economy of Gabrovo District is also facing newly emerging problems. The district is among the leading economies in the country (immediately after Sofia (capital city) and Varna), but the rate of development in recent years has been the slowest in the country. Unemployment in the district is increasing at a higher rate than the country average, and employment is increasing slower than the national average. In addition, income per household member has decreased by 13.2% within one year. In comparison, the national income for the same period decreased by only 1.2%. Gabrovo District shows a downward trend in the number of businesses per 1,000 people, while the opposite trend is observed for the country as a whole.

Gabrovo District has the most intensively developing infrastructure among all districts, and; this „boom" ranks it second after Sofia (-capital city) in this field. For example the increase in the share of households with Internet access is five times more intense than that for the country. Losses in the transport of water for public water supply and irrigation systems are decreasing 4 times faster for Gabrovo, compared with the overall decrease in the country.

In contrast to the problems in the socio-economic field, Gabrovo District enjoys the best environmental condition in the country.

Contrasts in the Socio-Economic Development: Stara Zagora, Targovishte

This cluster is characterized by one of the best environments for doing business (Targovishte tops the list in this ranking).

Contrasts in development are characteristic for this cluster. With regard to certain aspects of the socio-economic development, this cluster is among the leaders in the country, while for others it is at the very bottom of the ranking.

The cluster contains some of the fastest growing economies (second only to the leaders: Vratsa, Sofia, and Ruse) with declining unemployment in both districts (Stara Zagora and Targovishte). The unemployment rate decreased respectively one and a half and almost nine times faster than the country average. Income per household members for Stara Zagora District increased by 4.7% per year, that is nearly six times faster than the growth for the entire country.

On the other hand, trends in the field of environment are among the worst in the country (Stara Zagora in particular features a very pronounced negative trend). The same applies to the development of the social environment. The two districts in this cluster are among the worst performing in the country.

Infrastructure development is also negative. Household waste collected per person of the serviced population in Stara Zagora has increased while the national trend is in the opposite direction.

As to social environment, the poverty rate increased by about 3.5 percentage points on average in both districts, while this trend remains relatively constant country-wide.

In the field of physical infrastructure, Stara Zagora District has reported an increase in losses during the transport of water for public water supply and irrigation systems by 3.8%, while losses for the country have decreased by 7.3 per cent. The proportion of people aged 16 to 74 years who used the Internet over the preceding year in Targovishte District has decreased while the country as a whole reports a positive trend.

Contrasts in the socio-economic situation and development: Vidin, Smolyan

The districts in this cluster are facing demographic issues. The Vidin District is practically in the worst demographic situation in the country. The most revealing indicator is the high negative rate of natural increase that is over three times higher, but with a negative sign, than the country average, and the high age dependency in the district: more than half times higher than that for the country.

The condition and development of the economy are also negative: Vidin has the worst economy from among all the 28 districts in the country, while Smolyan suffers from some of the most pronounced negative trends in economic development. The decrease in the profitability of sales has the highest rate in Smolyan, (3 times faster than the country average. Vidin has the lowest employment rate: the employment rate of the population aged 15 + in 2010 was 35%, or one-quarter lower than that for the country. The employment rate in Smolyan decreased two and a half times faster than that of the country as a whole.

What distinguishes the districts in this cluster is the dynamic infrastructure development: they are second in the list, immediately after Gabrovo. The same applies to the condition and development of education - this cluster occupies one of the leading positions. Vidin has the fastest growing educational sector in the country, and the quality of education in Smolyan ranks immediately after Sofia (-capital city).

The good performance in education for this cluster is evidenced by the major decrease in the number of school drop-outs. The decrease for the districts of Vidin and Smolyan is 17% and 23%respectively. By comparison, country-average statistics reported no change for this indicator. The proportion of the population aged 25-64 with tertiary education is rapidly increasing in Vidin District. The increase is 14 times faster than that for the country and is higher than that of all other districts. Smolyan District tops the charts in most indicators characterising the condition of education and the educational system. It has the best coverage of the education system: the net enrolment rate of the population for grades 5 to 8 is 5.5 percentage points higher than the country average. Smolyan District also boasts the lowest values of repeaters and school drop-outs as a percentage of all students.

The districts in this cluster are also in leading positions in terms of the current status and trends in healthcare. Patients who sought hospital treatment per 1,000 of the population in Vidin District are 43% less than the country average. In Smolyan District, the population served by an Internal Medicine specialist has decreased by a third, while the country has seen an increase of nearly 5%. The cluster is also characterized by a relatively good social environment.

Poor socio-economic condition and negative trends: Razgrad and Silistra

This cluster contains Razgrad and Silistra. These two districts suffer from the most negative demographic processes in the country. The age dependence rate has increased by 15 and 15.7 percentage points respectively within one year, while country-wide figures show a decrease by 0.2 percentage points.

The economic situation of these two districts is also among the country's worst: only two other districts reported worse economic development. The educational environment is also in a very poor condition. Razgrad and Silistra have one of the lowest GDP per capita (Silistra District alone reports GDP per capita that is twice lower than the country average). In the districts of Razgrad and Silistra, there are 2 and 3 students per 1,000 of the population, respectively, while for the country they are 37.

Contrasts are also registered in healthcare. The dynamics of development in the healthcare system is one of the most positive in the country, but the current status of healthcare in the districts from this cluster is still poor and it ranks them at the bottom of the scale. 100,000 inhabitants are served by two hospitals for both districts in the cluster; the number is twice as high for the country.

Promising development trends: Vratsa, Ruse, Sofia

A characteristic feature of this cluster is the fastest economic development compared to all other districts in the country. In practice, the three districts that make up the cluster occupy the top three positions according to the rate of economic development.

Vratsa reports positive developments in almost all economic indicators, which are particularly intense for the number of enterprises per 1,000 population (ten times faster than that of the country) and investment: expenditure on TFA acquisition registered a growth of 6% against the decrease by one-quarter for the country as a whole.

Of all the districts, Ruse has the fastest decreasing unem-

ployment rate. Sofia District is characterized by a nearly quadruple increase in the profitability of sales against a 13.6 per cent decrease for the country.

The cluster is one of the leaders in education development. Proof in this regard is the 46% growth for the Vratsa District in the number of students in colleges and universities per 1,000 population, contrasting with the overall decrease in the country.

Good socio-economic condition: Blagoevgrad, Burgas, Varna, Plovdiv

The four districts in the cluster enjoy a favourable demographic situation in comparison to other districts in the country. Only Sofia (city) has a relative advantage over them in this respect. In two of the districts in the cluster - Burgas and Blagoevgrad - the general negative demographic trends valid for the whole country are less pronounced.

The economic situation of the cluster ranks it among the top performing districts. Varna is immediately after Sofia (city). The dynamics of economic development for the cluster, however, is not so pronounced. Only Plovdiv District shows above-average (positive) development, while in the other three districts the trends are negative and lower than those for the country.

In Varna, the number of enterprises per 1,000 population is 37% higher than the country average. In the Plovdiv District, the income per household member has been rapidly increasing: the rate of increase is 6 times higher than that for the country.

The cluster's development in the field of environment is rather negative. Two of the districts (Blagoevgrad and Plovdiv) are at the bottom of the scale. Only Yambol showed an even less favourable development of the environment. In Plovdiv District, the increase of household waste collected per person of the population served is highest: 16%. By comparison, the country average for collected waste has dropped 0.1%.

The development dynamics in the field of healthcare in the cluster is also negative. Plovdiv District occupies the bottommost position in this respect from among all districts in the country, while Burgas is also among the worst developing. The number of patients who sought hospital treatment per 1,000 people in the district of Plovdiv grew the fastest: 8 times (3 times for Burgas) faster than the country average.

Medium socio-economic condition: Dobrich, Kardzhali, Kyustendil, Montana, Pleven

The socio-economic condition of districts in this cluster gives them a position that is close to, but still below the country average.

The cluster is characterized by pronounced negative trends in development of the infrastructure and healthcare. Kyustendil features the most negative assessment of infrastructure development, while Dobrich occupies the bottom position in terms of healthcare development. Kyustendil is the worst performing in terms of water losses within the public water supply and irrigation systems: it reported increased losses by 11.8% versus a decrease of 7.3% for the country.

In Dobrich district, the number of persons served by an Intern is the fastest growing: 5 times higher than the average for the country.

The districts in the cluster are among the best performing in environmental development (Montana, Kardzhali, Kyustendil) and social environment (Kyustendil). The design capacity (average daily volume of water) of existing urban wastewater treatment plants for waste water in Montana District increased by 913 m3/ day / per 10,000 people against an increase of 145 m3/ day / per 10,000 people for the country.

Poor socio-economic condition is reported in: Veliko Tarnovo, Lovech, Pazardzhik, Pernik, Sliven, Haskovo, Shumen, Yambol

The condition of the infrastructure in all areas of the cluster is poor and below average. It is basically the cluster with least developed infrastructure. Three of the districts occupy the three bottommost positions in this field: Pazardzhik, Yambol, and Sliven. Water losses (million cubic metres per year) within the public water supply and irrigation systems per 10,000 people in Pazardzhik and Yambol districts are nearly four times larger, while for Sliven they are 2 times higher than the country average.

The same applies to the social sphere: all districts within the cluster are characterised by the most deteriorated social environments, and three of them are ranked at the bottom of the list (Yambol, Sliven, and Pernik). The local population of the Pernik District is the most dissatisfied with the quality of life, while the number of those dissatisfied with the performance of the district institutions is the largest in the country - by one-third beyond the national average. Yambol is the district with the highest proportion of the population living in material deprivation. The percentage is 50% higher than that for the country, while for the Sliven District it is higher by one-fifth.

The cluster is characterized by a poor environment for doing business, and the only exception is Yambol District, that ranks second according to this indicator. Part of this cluster, however, is the Pernik District, that has the worst business environment among all districts across the country, followed by Lovech, Haskovo, Veliko Tarnovo, and Shumen. Pernik District also reports the worst rating given to the interaction between businesses and the district/municipal administration: the score provided by surveyed business representatives is one quarter lower than the national average. No more flattering in this respect is the situation in the other districts within the cluster; the level of interaction is rated between 8% and 13% lower than the country average. The rate of property tax in Pernik District is the highest in the country - 26.2 per cent higher than the national average. The situation is similar in Lovech, Haskovo, Veliko Tarnovo, and Shumen.

The condition and trends of economic development, demography and the environment are below the country average. So is the situation in the education sector. Education development, however, is particularly unfavourable. Five of the districts in this cluster are firmly at the bottom of the list from among all 28 Bulgarian districts. Veliko Tarnovo is the district with the most rapidly deteriorating scope of the educational system: it reports a decrease in the net enrolment rate of the population to grades 5 to 8 that is twice worse than the country average. Lovech District experienced a major decline in the number of students at colleges and universities per 1,000 people, that, expressed in percent, is in contrast with the insignificant decrease in the number of students country-wide: within one year, the value of this indicator dropped in the district of Lovech by nearly one-third. The most significant decrease in the number of teachers involved in the primary and secondary education per 1,000 students - in Haskovo District, while Yambol reported the largest drop in scores from the matriculation exam in Bulgarian language and literature.

The dynamics for the natural environment of districts within the cluster is also the most negative for the country. Yambol District is at the very bottom of the ranking, and five other districts in the cluster are also among the worst performing in this area.

Summary

It would be safe to conclude that as a result of clustering using neural networks (Kohonen maps) to identify certain specific types of regional profiles. The most significant profiles are, as follows:

- The „Very good socio-economic condition" profile, that only includes Sofia (capital city)
- The „Strong negative trends yet still preserving a good socio-economic condition" profile: Gabrovo District
- The „poor socio-economic condition and negative trends" profile: includes the districts of Razgrad and Silistra
- The „promising trends & developments" profile, especially in economy and education, specific to the districts of Vratsa, Ruse, and Sofia
- The „poor socio-economic condition" profile, describing the districts of Veliko Tarnovo, Lovech, Pazardzhik, Pernik, Sliven, Haskovo, Shumen, and Yambol

Although this analysis only aims to establish the regional profiles without identifying the underlying causes, it is possible to outline some important conclusions:

1. The analysis of the types of regional profiles and in particular their territorial distribution throughout the country shows that generally, they are not territorially clustered, with some exceptions. The districts of Razgrad and Silistra are adjacent and both located in the peripheral areas of Bulgaria. Although not adjacent, the districts of Vidin and Smolyan are both peripheral, too.
2. Proximity to a major centre such as the capital city of Sofia has no immediate positive impact on satellite districts: for instance, the profile of Sofia District shows good development trends while Pernik falls into the profile with poor socio-economic conditions.
3. The range of profiles characterized by poor socio-economic conditions or negative development trends is much wider than the range of good conditions. In practice, no more than three or four districts in Bulgaria can be said to be in relatively good condition with less pronounced negative development trends.

The information and analytical capabilities of the identified types of regional profiles are quite extensive. For example, analysts, and especially policy-makers, would be very interested to find the answer to the question „What are the reasons for the good trends in the districts of Vratsa, Ruse and Sofia?" for making use of them as examples for good practices in other districts, too.

Another object of interest should be the reasons behind the formation of regional profiles in poor condition because taking them out of this condition would require specific policies and measures.

In conclusion, the formation of clusters of regions (e.g. NUTS 3 regions) is a common analytical practice in the EU, that effectively assists the process of making analytically justified, and hence correct and targeted policy decisions. The implementation of such flexible analytical approaches in Bulgaria would provide a good starting point for the formation of regional policies to reduce regional disparities and achieve the economic and social cohesion of regions which are currently widely divergent; moreover, this and other analyses show that there is a persistent trend of a deepening and growing gap between them. „Reversing" this trend should be among the top priorities of the government.

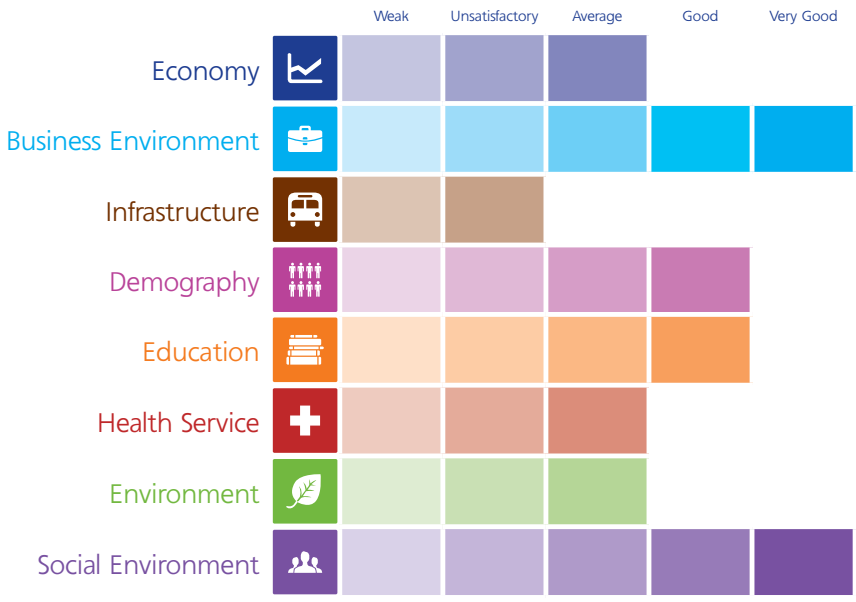
Blagoevgrad

GDP per capita, current prices, BGN (2009)	6032
Population (2011)	322878
Employment rate of the population over 15 years (2011)	53,8
Area (sq. km.)	6449,5

Overview

The Blagoevgrad District is located in South-Eastern Bulgaria and it ranks third according to the number of municipalities it covers. The district covers 277 populated areas (settlements) distributed in 14 municipalities: Bansko, Belitsa, Blagoevgrad, Gotse Delchev, Garmen, Kresna, Petrich, Razlog, Sandanski, Satovcha, Simitli, Strumyani, Hadzhidimovo, and Yakoruda.

The district is showing good progress in the conditions it provides to businesses, the quality of education, and local demographics. Infrastructure and healthcare are two areas the district is struggling with and failing to provide quality results. Overall, however, Blagoevgrad District stands out as a part of the country that managed to preserve a high level of employment of its population, to adapt to changing economic realities, and provide local people with opportunities to secure a decent standard of living. The score given by local residents to the quality of public institutions' performance in the district is above the national average; however, more people than in other districts responded they were prepared to relocate to another district.



Economy

Blagoevgrad scores are the highest for indicators „employment rate of the population aged 15+" (the second highest after the capital) and above the country average for amounts paid under EU operational programmes to municipalities in the district at the end of 2011 (per capita). All other indicators in this category received scores lower than the national average.

The Gross Domestic Product per capita in 2009 was less by one-third than the country average, with the 2003 value being closest to the average (82% of the average); afterwards the district started lagging behind on this indicator.

The employment rate of people over 15 increased in the period 2000-2008; in 2008 it reached its highest values for the district, and then decreased to almost 54% in 2011. Nevertheless Blagoevgrad District still ranks second on this indicator, that is explained by the thriving economic sectors in the district: tourism, apparel industry, transport, manufacturing, etc. The presence of two major universities helps create additional permanent jobs.

In 2010, the district had FDI per capita more than three times lower than the national average. Respectively, the average income per household in 2010 was also lower: about 85% of the country average and close in value to the districts of Lovech and Montana.

Business Environment

The relatively low local taxes, speedy and high-quality public services, and companies' high confidence in local institutions make Blagoevgrad District one of the best regions in the country for doing business. The district is one of the few where businesses gave positive ratings to the size of the local market and the quality of local infrastructure. Nearly 60% of respondents are satisfied with the quality and speed of administrative services, and more than half indicated access to credit and EU funds as having a positive effect on their business. The level of corruption is also considered very low - between 60 and 75 per cent of respondents shared a high appreciation of the local administration, courts, the police and local government structures. At the same time, the business community believes that making informal payments in order to win contract awards is widespread in the district.

Nearly 60% of surveyed representatives of local businesses responded they had used online services in the past twelve months, and it is the second highest proportion after Sofia District. About 93 per cent of users highly appreciate the quality of electronic services. Kresna and Belitsa are the only municipalities in the district which still provide only first-generation electronic services (publishing information on the Internet). The most comprehensive electronic services are provided in the Strumyani Municipality. Three municipalities (Blagoevgrad, Razlog and Strumyani) operate the „Integrated Desk" service. Higher than the national average are the annual license tax for retail trade, and the waste collection charge. The retail trade tax in Blagoevgrad Municipality deserves special attention as it is at levels characteristic mostly of resort areas.

Infrastructure

Most indicators in this category showed an unfavourable situation in the district. The road network density is the lowest of all districts and it is characterised by mountainous terrain and lack of funds for the construction of more municipal roads. There are no highways crossing the district. Expectations are focused on the speedier completion of the Struma Highway, that would boost local economy, but the lots from Dupnitsa to Blagoevgrad and from Blagoevgrad to Sandanski were included in the 2014 - 2020 program period, that will delay the process by at least two or three years.

Over 60% of the roads in the district are of Class 3 roads, about 23% are of second category, and only 13% are first-class roads. The specifics of the local landscape are again reason for the extremely low density of railway lines. There are only 162 km of railway lines within the district; and over 60% of the lines are electrified. Because of the difficult relief, the district is not evenly serviced by rail transport that requires effective coordination and complementarity with road transport. The renovated and electrified Sofia-Blagoevgrad-Kulata railway provides a high quality of service to municipalities in the district which are located along the route. The railway stations have free capacity, and it is a good prerequisite for developing freight transport.

The district has a relatively low proportion (compared to the national average) of water-supplied households - only 95.5% in 2010, against an average of 99% for the country. However, the losses of water from the pipe network reach 53.9% and are below the average for other districts. Access to the Internet and its use by households is at levels below the national average, although they have increased over the years.

Demographics

Blagoevgrad is the sixth most populous district (2011). The population is distributed relatively evenly in most areas, with just over 40 per cent of the people living in villages. At the same time, the district features one of the highest densities of residents per populated area. Despite the negative demographic processes in Blagoevgrad, which are valid for the entire country, these occur with less intensity. The rate of natural increase in recent years has been negative, but from 2006 to 2010 it did not exceed 2 ‰ per year. This threshold was exceeded in 2011, when the indicator registered -2.1 ‰. There are similar migration developments in the district: more people have left it than have moved in and settled, but generally there is a low overall negative net migration.

The results of these processes include worsening age dependency ratios, but they are still lower than the country average.

Education

In 2011, there were 136 schools in the district, i.e. thirty less than in 2006. The downward trend in the number of schools follows almost in parallel the process of decrease of the number of students and teachers in the district. It is caused by the outbound movement of the population and low birth rates. As a result, the teacher-student ratio was slightly above the country average in 2011, and there was one school per 2,374 inhabitants, that is far from the worst examples of the capital city where the availability of teachers is almost twice lower.

The overall positive situation with the number of schools and teachers reflects in the high quality of educational services. The 2011 figures indicate a higher-than-average enrolment rate of the population to grades 1 through 4 that has been increasing over the years. The situation is similar as far as the net enrolment rate of the population to grades 5 through 8 is concerned, although it slightly deteriorated in the last three years. The net enrolment rate of the population to grades 9 through 13 is also higher and slightly on the increase, reaching 86.1% against an average of 81.3% for Bulgaria. Schools in the district also succeeded in registering the second lowest proportion of repeaters: only 0.39 per cent of students failed the year that is far below the country average for 2011 of 0.93%.

The education system in Blagoevgrad District was also successful in retaining students and registered exceptionally low levels of school drop-outs: only 1.3 per cent left school prematurely, and the last decade showed a significant improvement in that respect. The grade scores from school-leaving exams are close to the country average.

Despite the presence of two universities, the proportion of people with tertiary education among the working age population is lower than the national average. The reason for this could be that some of the graduates leave the district upon graduation. Statistical figures clearly reflect the effect of the two universities: in Blagoevgrad, there are 42 university students per 1,000 people, that is above the national average.

Healthcare

In 2011, there were twelve hospitals in the district, ensuring the country-average availability of doctors per capita. Despite the increasing number of people who sought hospital treatment in the last ten years, under this indicator the district scored low compared to the country average: in 2011, out of every thousand people, 191 received hospital treatment, with the highest levels being in the Plovdiv District: 390 people. The lower level of this indicator compared to other districts can, to a certain extent, be attributed to the fact that the district population has a relatively young age structure.

The tuberculosis prevalence rate was relatively high in 2010, despite the downward trend since 2007. The possible reasons could be the ethnic breakdown of the population and the low standard of living in the district.

Environment

The gradual reduction since 2006 in the emissions of harmful substances into the atmosphere was followed by an increase, yet it is well below the national average. The main reasons are the mountainous terrain, a certain degree of technological upgrade, and the closure of some inefficient and polluting industries. The emissions from domestic heating significantly contribute to pollution in winter.

In 2010, the district had two operating wastewater treatment plants serving approximately 26% of the population, and it is extremely inadequate. The design capacity of the existing treatment plants for urban waste water in the district is more than three times lower than the national average. On-going projects in some municipalities are expected to improve the situation in the near future. In 2012, six new wastewater treatment plants were under construction, as well as two potable water treatment installations.

In 2010, 98% of the population lived in places with organised garbage collection; six waste depots have been built in the district. Municipal waste collected per person of the population serviced amounted close to the country average, with a tendency of gradual decrease over the years.

Social Environment

In 2009, only 2.2% of the district's residents lived in low work intensity households that is the best result in the country for that year. The proportion of people living below the poverty line is half the country average: only 10.2%. One in three residents of Blagoevgrad District (35%) is in the group of people living in material deprivation, with country average levels being about 45%. About half of the district population is not satisfied with their standard of living, but compared with the national average „quality of life" score, this percentage remains relatively high. The score given to the conditions and opportunities for work and education is quite high.

Crime in the district, measured as the ratio between the number of reported offences and the number of population, also remained lower than the national average, although it has increased by 25% in the period 2008-2010 Despite the favourable social and business environment, 18% of respondents said they would leave the district, given a chance. In addition to the judicial system, that traditionally attracts low confidence levels; the district's residents also have very low confidence in district and municipal administrations, and in healthcare establishments. A quarter of the people who used health services during the previous twelve months were forced to make informal payments to obtain the service needed.

Burgas

GDP per capita, current prices, BGN (2009)	8064
Population (2011)	415458
Employment rate of the population over 15 years (2011)	44,5
Area (sq. km.)	7748,1

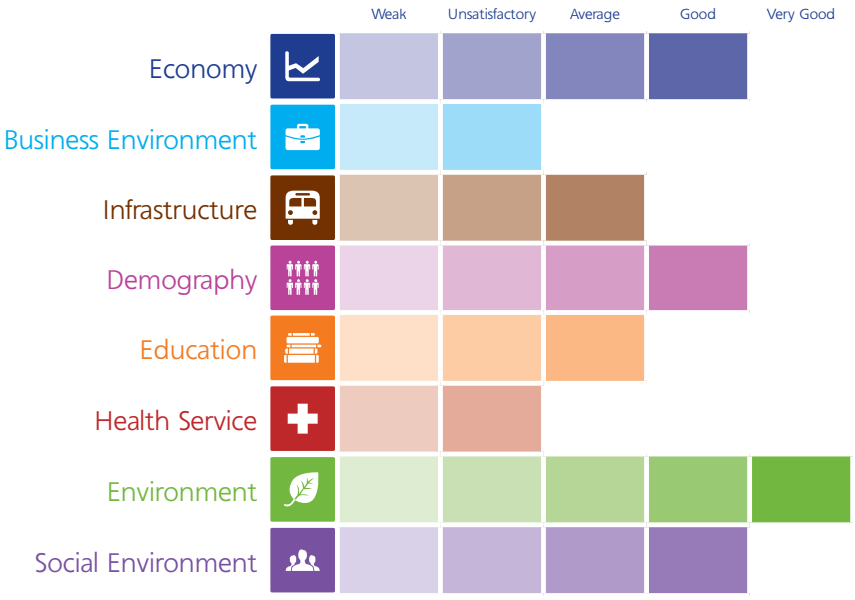
Overview

The district of Burgas is located in South-Eastern Bulgaria and it covers the largest area in the country. The district comprises 13 municipalities, with 254 populated areas.

Burgas has a relatively well developed economy and it attracts people from other districts to settle there. That is why the demographic picture is significantly better than that of the country as a whole. The results of surveys among citizens and businesses show that Burgas has the highest score for the work of local authorities and other government departments. The district also benefits from better environment if scores are compared with the rest of the country.

Weaknesses are concentrated mostly in the business climate and healthcare. Local taxes in Burgas District are relatively high. As far as healthcare is concerned, there is a shortage of medical health professionals, and corruption in hospitals is high.

Despite its strategic location, Burgas District still faces problems in terms of infrastructure. Another relatively non-performing area is education; it received scores slightly lower than the national average.



Economy

Burgas is the fifth richest district in Bulgaria. It has a GDP per capita equal to 90% of the national average and income per household member at approximately the same level. Higher ranks than Burgas occupy Sofia (capital city) and the districts of Sofia, Varna, and Stara Zagora. The district generates 5.22% of the gross domestic product of Bulgaria.

The economy of the district is characterized by low diversification. Oil processing is the most important industry, making up for about 70% of industrial production. It is followed by the food and beverage industry and machine building. Also well-developed sectors include transport, logistics, and agriculture. The two key sectors of the local economy, however, are tourism and trade. In 2011, Burgas held 37% of the tourist accommodation in the country and more than one-third of the proceeds from hotel stays. This structure of the economy reveal weaknesses: in the long term, dependence on a small number of sectors means potential structural problems manifesting on the labour market.

Employment traditionally lags behind the country average, and has dropped sharply since 2010. Unemployment is growing rapidly, reaching 12.6% in 2011. According to this indicator, Burgas ranks below 15 other districts, including Blagoevgrad, Vratsa, Gabrovo, Lovech, Pleven. Seasonal employment in tourism, construction, trade, and transport is of major importance for the local population.

An opportunity for the local economy would be created by the planned new industrial area near the city of Burgas that could attract investors' interest in new production capacity.

Throughout the district, there is a large gap in development between coastal communities and those further inland. The former are much richer and there is a relatively low unemployment rate, while the latter's population relies heavily on income from pensions and social benefits. The only exception to this rule may be Karnobat Municipality that has a well-developed industry.

Burgas ranks second according to the size of foreign investment cumulatively for the period 2000-2010, after Sofia (capital city), and ranks third according to FDI per capita. Analysis of the data shows a very weak relationship between the size of FDI and the total expenditure for TFA acquisition. One possible assumption would be that foreign investment are mainly directed to non-production activities (buying vacation property, for example), and that is why such investments are not reflected in the creation of permanent jobs (as is the case, for example, in Sofia (capital city) and largely in the Varna District). Municipal authorities in Burgas have absorbed the most resources under the EU operational programmes in absolute terms: 72.3 million by the end of 2011. Divided per capita, however, the district ranks eighth, with 67 per cent above the national average.

Business Environment

The overall score of the business environment in Burgas is rather unsatisfactory. The main issue seems to be the amount of local taxes and charges; these are above the country average. License tax and fees for market stall are particularly high. Corruption has been outlined as an obstacle, too, at least when compared with the average scores for the 28 districts. According to businesses, facilitation payments are concentrated in public procurement awards and the provision of various administrative services. There are suspicions in the probity of local authorities when amending various regulations and ordinances.

Despite the above concerns, the score given to the performance of local government is the highest for the country. Under all indicators such as clear requirements, speed of service, qualifications of staff, etc. businesses seem to be satisfied. Also noteworthy is the very good score given to judiciary - also the highest in the country.

Infrastructure

Infrastructure rankings are a little above the country average. Burgas is an important transport junction; Pan-European Corridor No. 8 crosses its territory. The district has an international port and an airport, as well as five other sea ports. The length, respectively the density of the road network increased slightly in 2006 with the opening of Lot 5 of the Trakia Motorway; since then it has remained largely unchanged. Significant improvements of the road infrastructure were expected in 2013, when the motorway will be completed. A positive impact is also expected with the completed rehabilitation of the Burgas-Malko Tarnovo road in late 2012; it is the district's major transport connection with Turkey. The rehabilitation of the railway connection with Plovdiv, that should be completed in 2014, will also contribute significantly to improving transport services in the district and reducing travel time. The construction of a high-speed road or highway connecting Burgas and Varna is also a major infrastructure project; however, there are no clear plans on starting such a project though it is very important for the transport links to the district.

Burgas ranks fourth according to the percentage of households with access to the Internet - after Sofia (capital city) and almost on par with Sofia District and Plovdiv (2011 figures). The district scored a significant improvement

on this indicator in 2010 and 2011. The number of places with free Wi-Fi access in the central parts of Burgas has been increasing; a project is underway to provide free internet access in parts of the public transport system. Another positive development in Burgas include relatively low losses within the water supply network when compared to the national average.

Demographics

The district demography looks better than most other districts of the country. The population of Burgas has decreased only slightly over the past 12 years: 1.8 per cent for the period 2001-2011. It is one of the few districts in the country where the number of people who have relocated from elsewhere is larger than the number of those who left over the last ten years. This process however, falls short of making up for the negative rate of natural increase of the population, that fluctuates between -0.56 ‰ in the best year (2007) and now -3.6 ‰. Burgas attracts new residents mainly from Sliven and Yambol districts, and, during the last few years, also from Sofia (capital city). Meanwhile the preferred places for permanent relocation of citizens of Burgas are Sofia (capital) or abroad.

The Burgas District is among the most highly urbanized areas in the country. The proportion of urban population is 74.8%, and has been increasing very rapidly in the last three years. It could be explained by the economic crisis and the declining employment prospects for the rural population.

In 2011, the district had the second lowest age dependency ratio, calculated as the ratio of people over 65 and children under 14 years, after the Sliven District, that is partly due to the ethnic profile of the population. Accordingly, the dependency ratio (population over 65 to the working-age population) is well below the country average.

Education

The quality of education in Burgas District received scores slightly below the national average. A major problem seems to be the small number of teachers per 1,000 students, and the relatively low number of schools per capita. The enrolment rate for grades 5 through 8 is close to the country average. Another positive development to note is that the rate of school dropouts is among the lowest in the country. The proportion of students repeating the grade is low, too. Students in the district, however, do not perform very well at matriculation exams. The grade scores are below the country average and the proportion of failed is higher.

Despite the presence of three universities, the district lags behind in the number of students per population. Burgas ranks within the bottom half also according to the percentage of university graduates amng working age population: 15.6% against an average of 23.3% for the country.

Healthcare

The overall score given to health services in Burgas District is unsatisfactory. The main problem is the lack of sufficient numbers of qualified medical staff. On all three indicators: general practitioners, cardiologists and specialists in Internal Medicine per capita, Burgas is well below the national average. Hospital infrastructure, however, is not insufficient, quite the opposite. The district has a high number of hospitals per capita. In recent years, two new private hospitals were opened.

A serious problem, although not on the scale of other districts (such as Sofia) is corruption in healthcare. According to 40% of the local residents, the level of corruption is „very high" or „high," while 23% of those who used medical services responded that they had made facilitation payments for hospital care in the last year. It is therefore not surprising that the number of people seeking medical care outside the district is relatively high: over 17%.

Social Environment

On the background of the national average score it can be concluded that people in the Burgas District live relatively well. One third of the population lives in depravity that, although being a substantial proportion, is well below the average. The share of poor people, i.e. those falling below the poverty line in the district, is 21.3%. At the other extreme are nearly 30 per cent of local residents who perceive their standard of living as satisfactory or very satisfactory, suggesting a pronounced social stratification.

Among the positive characteristics of the district stands out the fact that nearly half of local residents are satisfied with their jobs, that is a very good result against the country average and districts such as Sofia (capital city), for example. In terms of housing, figures show that there is an average of 33.2 sq.m. of useful living area per each resident, exceeding the living area available in the districts of Sofia (capital city), Plovdiv, Varna, Stara Zagora, and others. Quite impressive in comparison to other districts in the country is the citizens' positive appreciation

of the work of institutions - mostly local government, but also the district government offices and the police. Crime rate is a major problems in the district: the second highest in the country, after Sofia (capital city). Despite the relatively high rate of approval of the police work, the perceptions for corruption in the police force run high.

Environment

The environmental indicator for Burgas district received a score of „good", that is 6.7 percentage points above the national average. However, it only partly corresponds to citizens' perceptions. The advantages in the district come from a relatively low level of harmful emissions into the atmosphere, and the capacity of water treatment plants. Treatment plants could be part of the explanation behind the disparity between objective data and public perceptions of the environment. In many coastal municipalities that are active tourist destinations, the capacity of water treatment plants is much below the required levels, if such facilities are at all available and operating. Efforts are being made to find a solution to this issue. As of 2012, the construction or expansion of wastewater treatment plants is underway in Primorsko, Ravda, Slanchev Bryag (Sunny Beach), Tsarevo and other populated areas in the district. It will significantly improve the quality of the environment in the coming years. As for sewage, its density is around the country average. As in many other locations, villages are the worst affected by the lack of sewage facilities.

Varna

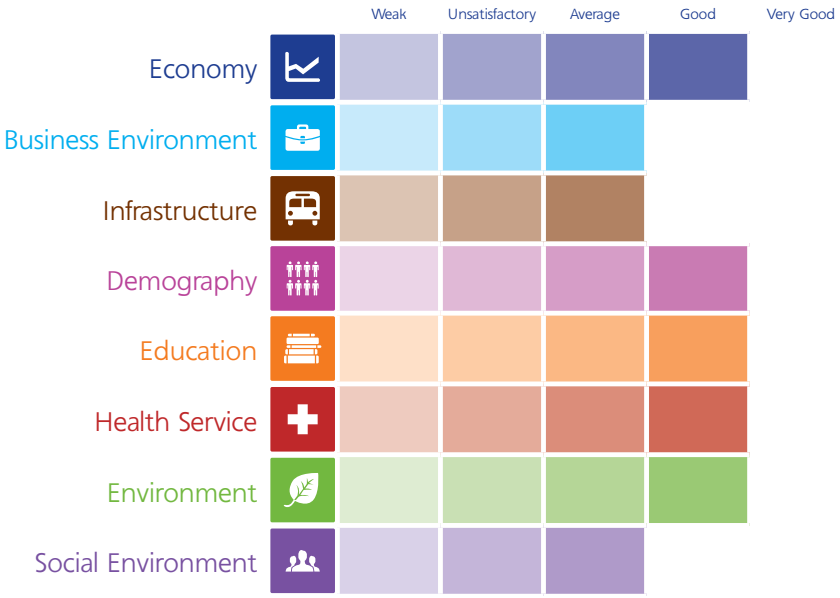
GDP per capita, current prices, BGN (2009)	9613
Population (2011)	474574
Employment rate of the population over 15 years (2011)	46,5
Area (sq. km.)	3819,5

Overview

Varna is located in North-Eastern Bulgaria and it covers 12 municipalities with 158 populated areas. Varna is one of the better developing districts in the country. The GDP per capita indicator is the second highest after Sofia (city) and economic growth is much faster than the average for Bulgaria that ensures relatively high employment rates for the local population. The positive economic outlook is a key factor that drives the inbound migration of people to the district and makes it one of the least affected by demographic changes in the country.

For most indicators, the district was awarded scores above the national average: economy, demography, education, and healthcare. The performance of the local administration and the judiciary also received high scores; these fields which are generally problematic for the entire country.

Varna is well positioned in attracting foreign investment. In this field, the district could perform even better given its demographic breakdown and the relatively high level of education. There is more to be desired in terms of the business environment and physical infrastructure as these play a very important role in boosting the economy.



Economy

Varna is the second richest district in Bulgaria, with a GDP per capita about 7% above the national average, while the rate is still lower than the leading district of Sofia (city). Varna District is one of the fastest growing in the country with a growth rate of GDP per capita (current prices) of 155% over the last ten years. The gross product constitutes 6.54% of the national GDP. Income per household member is within the national average: BGN 3,739 in 2011. The employment rate is traditionally high; according to this indicator the district ranks third after Sofia (city) and Blagoevgrad. However, employment fell sharply after the strongest performance in 2008, by more than eight percentage points, the downward movement far exceeding the national average. In that year, the unemployment rate began to rise rapidly, reaching 10.3% in 2011, ranking Varna District below districts such as Pernik, Blagoevgrad, Vratsa, and Gabrovo. This development on the labour market is logical in view of the shrinking construction and trade. It also reveals a much better diversification of the local economy when compared with the „competing" district of Burgas, that has suffered a much faster rising unemployment over the past two years. Besides tourism, Varna also benefits from a well-established chemical industry, machine building, textiles, ship repair yards, the transport industry etc. The most rapidly developing sector in the district over the past several years was agriculture; 60% of the district's area is farmland.

Development in the district is highly polarised. It is characterised by drastic differences between Varna Municipality and other municipalities. The Municipality of Varna holds over three quarters of enterprises and fixed assets, thus contributing a large portion of business revenues in the district.

Varna ranks third after Sofia and Burgas on the amount of attracted foreign investments, and fourth in FDI per capita. Overall, the rate of investment per capita is significant: second only to Sofia (city) by 2007, and third after Sofia and Stara Zagora from 2007 to 2010.

In terms of funds under the EU operational programmes used by municipalities in the district, Varna ranks second, but these were calculated per capita, Varna would move to the middle of the ranking, occupying 13th position.

Business Environment

The business environment leaves much to be desired. The district was given a score that is close but slightly below the national average. The main problems seem to be the judiciary, that is estimated as being at a „very low level" by businesses, and the inconsistent tax policy. Respondents are most critical to the speed of the courts (three-quarters of the companies surveyed and involved in litigation over the past 12 months), probity (about three-quarters) and the impartiality of the court (about 50%). As for tax policy, at least in the two major municipalities of Varna and Devnya, local waste collection charges and market stall charges are well below the national average. The same cannot be said, however, of local tax; property tax rates are particularly high, and the same applies to license tax in Varna Municipality.

The performance rating of local authorities and the low corruption level are on the positive side of the balance. It does not mean, however, that the administration is actually performing well and that there is no corruption, but rather that the situation is not as bad as in other districts. According to businesses, there are no particular problems with the clarity of regulations, the qualifications of municipal officials and, to some extent, with the speed of service. A major issue seems to be the scope and quality of electronic services.

Infrastructure

Varna District is a major transport hub. Transport Corridor No. 8 ends in Varna; the district has an international port and airport, and benefits from one of the densest railway networks in the country. The overall score given to infrastructure, however, is about the national average. The length and, respectively, the density of the road network in the district has maintained a constant level in recent years, that means that new roads were practically not built. There has been a nearly 12% decrease of the length of the railway network in the period 2005-2008.

A major rehabilitation of the road and railway network, and providing a speedway or motorway connection between Varna and Burgas would significantly improve transport links to the district. The project for a highway between the two main coastal cities, however, is set far in the future: possibly for the next programming period 2014-2020.

Varna ranks in the middle of the list according to the share of households with Internet access in 2011. However, the district is much far ahead according to indicator „percentage of people using the Internet": it ranks fourth after Sofia (city), Vratsa, and Stara Zagora. The difference is probably due to the large number of people using the Internet only at work.

Under the indicator for losses of water in the supply network, Varna performs better compared to the national average.

Demographics

Varna enjoys the best demographic situation after Sofia (city). The district is densely populated: 130 persons per sq.km., while the average figure for Bulgaria is 70 persons per sq.km. The population of the district grew by nearly 3 per cent over the last ten years. It is due to the high net immigration in the period 2007-2011, that is the second highest after Sofia (city). The rate of natural increase of the population is negative, but it is still better than the country average. A number of second-home owners lives in the district; mostly Russian, British nationals, etc.

People from Dobrich and Shumen, and a smaller number from Sofia, relocate to Varna; movement in the opposite direction is also noticeable. Since 2009, there has been a strong tendency among people leaving Varna to emigrate from the country: between 17% and 24% of all outbound migrants from the district have moved abroad.

Varna is the second most urbanized district in the country, with a proportion of 83.6% of the urban population. The age structure of the population is significantly better compared to the country average: for every 100 persons between 0 and 14 there are 114.2 over 65 years of age, given the 194 and 218 in Pernik in Gabrovo, for example.

Education

The overall score for the education system in Varna District is good and above the national average. It is due mostly to the good rate of higher education coverage. There are five universities and three colleges in Varna. According to the number of students in colleges and universities per 1,000 population, Varna ranks immediately below Veliko Turnovo and Sofia (city). The district has the second-highest proportion of university graduates in the population aged between 15 and 64 years (after Sofia). Varna is also the second district after Sofia (city) experiencing a serious shortage of kindergartens.

Problematic areas seem to be the relatively small number of schools per capita and the number of teachers per 1,000 students, that is among the lowest rate in the country. Enrolment rate of students to grades 1 through 4 is within the national average: 95.8 per cent. The rate of enrolment in grades 5 through 8, however, drops sharply to 80.5 per cent, explaining why the percentage of school drop-outs is higher than the average for the country. Students from the district traditionally perform well at state matriculation exams, with average scores higher than t-hose for the country. The rate of „fail" grades at matriculation is relatively low and, although it rose sharply in 2012, still continues to be below the national average.

Healthcare

The quality of health care in Varna District is above the national average. The number of GPs and specialists is adequate. The number of hospitals, however, is 17% below the country average. The number of patients who sought hospital treatment per capita is quite high. It can be explained by residents of other districts seeking care in specialized clinics and regional dispensaries.

A definite plus is the low perception of corruption in healthcare compared to the national average. According to almost half of the district residents corruption in healthcare is non-existent or close to non-existent, with only 8% of those seeking medical care in the past 12 months having made informal payments to hospitals.

Nearly two-thirds of the district population evaluate the performance of hospitals as „good" or „very good." However, a quarter of those who needed healthcare were forced to seek such services outside the district.

Environment

In terms of its environment, Varna District performs above the national average. The indicators for which the district scores well ahead of others include the capacity of waste water treatment plants and the proportion of the population in towns and villages with public sewerage systems. A treatment plant for potable water is currently under construction in Provadia, while wastewater treatment plants are being built in Aksakovo and Vetrino.

In terms of waste generated per capita, the district also performs better compared to others. A major problem for Varna involves the harmful emissions into the atmosphere, being five times higher than the national average. The cause of most concern is that emissions have been steadily increasing since 2005, and only in 2010 a slight decline was registered.

Social Environment

The overall score for the social environment in the district is around but slightly above the national average. This rating is mainly due to two factors. First, it is driven by the higher score given by the citizens to institutions in the district. The education system receives high approval (86.4% of the population), and the same applies to healthcare (63.8%), the judiciary (61.2%), and local government services (55.9%). Second, although with some fluctuations, the economic environment seems to play a positive role. Although generally Varna residents are not very satisfied with the standard of living (measured against income), the income levels in Varna are still much better than many other places in the country. It is particularly evident in the number and proportion of households with lower economic activity, falling nearly a quarter below the national average.

The population of the district is mostly dissatisfied with its current employment and local infrastructure.

A serious problem seems to be the crime rate, that is eight points above the national average. Although crimes against the person and property have declined in absolute numbers during the period 2000-2008, they again began to rise from 2009 onwards. Just over half the population has confidence in the police, and people who feel safe in their home or in the street outnumber those feeling unsafe.

Veliko Tarnovo

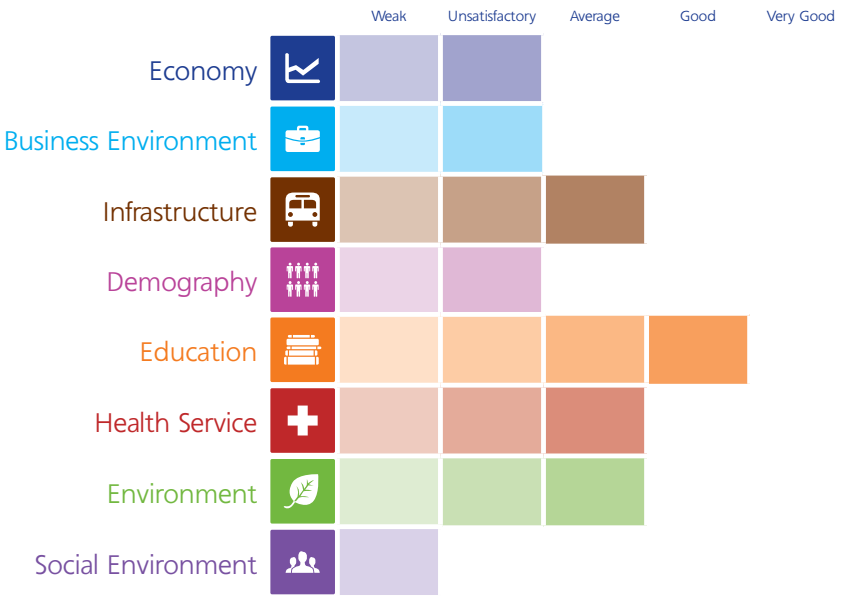
GDP per capita, current prices, BGN (2009)	5716
Population (2011)	257560
Employment rate of the population over 15 years (2011)	41,4
Area (sq. km.)	4661,6

Overview

Veliko Tarnovo is located in the North-Central Region of Bulgaria. Besides the district centre Veliko Tarnovo town, it includes 335 populated areas in 10 municipalities: Veliko Tarnovo, Svishtov, Polski Trambesh, Pavlikeni, Suhindol, Strajitsa, Gorna Oryahovitsa, Lyaskovets, Zlataritsa, and Elena.

Statistics gives the Veliko Tarnovo a leading position in areas such as education and healthcare, where the district has traditionally performed very well over the last ten years. Infrastructure in the district is gradually improving, and the results in the score under the „Environment" criterion remain close to the national average. The major problems in Veliko Tarnovo include the result of the rapidly worsening demographic situation, less favourable business environment, and the traditionally low level of foreign direct investment in the district. In the group of indicators on which the social environment is assessed, Veliko Tarnovo scores one of the worst results in the country.

Surveys among businesses and citizens show a relatively positive appreciation of the performance of local administration and satisfaction with aspects of the social environment that is close to the country average.



Economy

The district's poor performance under most of the indicators in the „Economy" group is a consequence of the unfavourable demographic situation, the low economic activity in the district (judging by the relatively small number of enterprises) and the traditionally low levels of foreign direct investment. At the end of 2011, the total volume of foreign investment in non-financial enterprises amounted to a meagre EUR 67.3 million. Only Vidin, Kyustendil, Montana, Silistra, Haskovo, and Yambol scored lower on this indicator.

The gross domestic product per capita has been increasing without exception since 2004, and this trend continued even in 2009, when most districts in the country reported a decline. However, the final product per capita grew more slowly than the national average. The average income per household remained relatively high, the 2010 level being only 4% lower than the national average. Veliko Tarnovo is one of the areas with the fastest growing income per capita in the period 2001-2011, due mainly to the low baseline values at the beginning of the period when the district was at the bottom of the national ranking.

The number of persons employed reached 78,000 in 2008. The onset of the crisis brought about a drop of nearly 10%, that pushed the index back to 2002 levels. In 2011, the employment rate of the population over 15 years in the district increased by 1.5 percentage points to 41.4%, but still remains below the national average of 45.6%.

As of 5.12.2011, the municipalities within the district have absorbed just over EUR 27 million from the EU operational programmes. Relative to the number of the local population, the uptake rate is about 4 % higher than the national average. Agriculture in the district is highly consolidated and this trend is still continuing; during the last decade, grain production gradually replaced the traditionally strong vegetable growing and canning industry.

Business Environment

According to the business survey carried out in the spring of 2012, the main obstacles to doing business are corruption in the municipal and district administration, the inadequate size of the local market and the lack of confidence in the local judiciary.

For the greater part, municipalities have not yet achieved the full use of the „one-stop-shop" service. Nevertheless administrative service is rated positively by businesses, giving it a score on the quality of administrative services close to the national average. Over 60% of business respondents had not used electronic services provided by the local authorities over the past 12 months before the survey. The rating given to the quality of electronic services by their users is relatively high.

A comparison between the tax policies of separate municipalities shows strong differences in the rate of tax and charges. In most places, the amount of tax on vehicles, real estate tax, and retail license tax are still higher than the national average for 2012. Most taxes in Veliko Tarnovo Municipality are significantly higher than those in the rest of the district.

Infrastructure

The urban infrastructure is gradually improving, but at the same time smaller municipalities have difficulties in carrying out similar projects. The density of the road and railway network in the district is above the national average. However surveys among citizens and businesses cite the poorly developed infrastructure as a major disincentive for local business development.

Given the coverage and level of urbanization of the district, the share of households with Internet access remained quite low in the period up to 2010. Only in 2011 this percentage increased to the national average of 45%.

In recent years, there were problems with the water supply network leading to significant losses in the transport of water. During 2008-2010, losses decreased from 83.06 to 61.12 million cubic meters per year, yet they continue to be significantly above the national average. Higher losses (in volume) were reported only in large districts such as Pazardzhik, Plovdiv, Stara Zagora and Sofia (city). In proportion to the number of population in Veliko Tarnovo District, its transport loss of water is the highest after Pazardzhik, Sliven and Yambol.

Demography

Over the period 2001-2011, the population of Veliko Tarnovo District has decreased by nearly 12%. During this period, the age dependency of the population continued to deteriorate, mainly due to a decrease of the number of young people in the district. By 2009, the ratio of the number of people over 65 to those aged less than 14 had been increasing at a rate close to the national average, but since then the divergence has increased sharply. While in 2009 adults from this group were about 58 % more than children under the age of 14, in 2011

this indicator reached values of over 70%. During the entire period from 2001 to 2011, the rate of natural increase of the population remained negative, with values worse than the national average.
Data on net migration were more favourable until 2008, i.e. the number of people who moved into the district exceeded the number of people who left it. After 2009, migration generally slowed down, but the number of those who left the district in recent years far exceeds the number of newcomers. At the end of 2011, 69.4% of the population lived in urban areas, that is close to the national average. At the same time, the population density against the territory of the populated areas remained below the country average.

Education

Veliko Tarnovo occupies one of the leading positions in the country in terms of education. The good performance of the district is mainly due to strong indicators in higher education. In the period from 2000 to 2011, the number of students in the district has increased from 20,000 to 25,000 people. Another positive factor is the relatively high percentage of the population aged 25 to 64 years with higher education degree (compared to the country average), with one in four persons in the district having obtained such a degree.
The good performance in higher education makes up for the deepening problems in primary and secondary education. Over the period 2000-2011, the number of teachers and students in primary and secondary education has decreased by 32.8% and 33.2%, respectively. One in five schools in the district was closed. Veliko Tarnovo ranks sixth according to the proportion of school dropouts: 3.32 per cent for 2011. In the school years 2007/2008 and 2008/2009, students from the district who passed school-leaving exams in Bulgarian language and literature achieved better results than the national average. In the 2009/2010 school year, however, the number of students who scored worse than the lowest „passing" grade (3.00) doubled, reaching 6%; similar results persisted during the following years.

Healthcare

During the review period, the number of hospitals remained constant despite the decrease of the total population and the gradual deterioration of the age structure. It did not affect the number of specialised doctors in the district, with the exception of physicians specialised in internal medicine whose number decreased by more than half in the last 10 years. For the same period, the number of GPs also decreased by about 20%. The number of persons with health insurance in the district was increasing, in parallel with the rest of the country, and in 2011 reached 216,849 people, or 84% of the population.
The majority of surveyed local residents rate their health status as satisfactory. For the period 2001-2011, the number of patients who sought hospital treatment has remained stable: between 50 and 60 thousand a year. Under this indicator, the district reported a decline in 4 of the last 6 years. At the same time, the local population's confidence in the quality of services provided by hospitals remains above the national average. The percentage of people who had to leave the boundaries of their district to receive the healthcare services they needed is low, too.

Social Environment

According to the indicators included in the „Social Environment" category, Veliko Tarnovo is one of the most poorly performing districts. This is mainly due to the high proportion of persons living in households with low intensity of economic activity (12.2% in 2009) and the high percentage of the population living in material deprivation (66.7% in 2009), with only Kardzhali, Targovishte, and Yambol reporting less favourable results under the second indicator. In 2009, one out of every four people in Veliko Tarnovo lived below the poverty line.
The recorded criminal offences per 1,000 people at 21.4% remain below the national average. The work of the police is valued relatively highly by local people, that is confirmed by that level perceptions of security at home and in the street.
The majority of respondents give lower scores to their own standard of living. About 16 % of those surveyed declared they were inclined to move to another city if they had the chance.

Environment

According to 2010 statistics, the emissions of harmful substances into the atmosphere per square kilometre of the district territory exceed the national average. Not counting the main urban pollutants (Stara Zagora, Varna, and Sofia) Veliko Tarnovo is among the districts with relatively high concentrations of pollutants in the atmosphere.
In certain years within the period 2001-2005, the amount of municipal waste per capita in the district exceeded the country average by over 50%. Since 2006, the excess shrank to 30-35%, but the volume of waste collected

per capita remained at the same level, while the country as a whole registered a downward trend. This is another factor that brings down the ratings in the „Environment" category.
In 2010, about 62 per cent of the population lived in villages with access to public sewerage. The average daily design capacity of water treatment plants increased significantly in 2007, when it reached 62 thousand cubic metres per day. Weighted against the population, capacity remains below the national average. Under construction are six new treatment plants - five waste water treatment plants, and a potable water treatment plant. It will significantly improve the situation in the district. The majority of surveyed residents were satisfied with the quality of the environment in their area.

Vidin

GDP per capita, current prices, BGN (2009)	4879
Population (2011)	100344
Employment rate of the population over 15 years (2011)	33,6
Area (sq. km.)	3032,9

Overview

Vidin District covers 141 populated areas in 11 municipalities: Belogradchik, Boynitsa, Bregovo, Vidin, Gramada, Dimovo, Kula, Makresh, Novo Selo, Ruzhintsi, and Chuprene. The urban population is predominant in the district, constituting 63% of the total.

The district received very poor marks in three areas: natural environment, demography, and economy. Over the years, the district has maintained low levels of employment, income per capita and foreign investment, and the population's perception of a low standard of living is very clear. The demographic development is among the most disturbing in Bulgaria, with lasting trends of low fertility, outward migration, high mortality, and low life expectancy. The area is one of only four without water treatment plant, and only half the population has access to a public sewerage system. The household waste collected per capita has been on the increases, as opposed to country-wide trends.

The only „very good" score is the one for healthcare, where the district ranks first. Accessibility to health care is increasing mostly due to the shrinking population and the unchanged number of hospitals.

Economy

Vidin District received the lowest score in this category. It had the third lowest GDP per capita in 2009, (BGN 4,897) with only Silistra and Sliven performing worse. The district reported consistently lower levels of GDP per capita compared to the national average, with a steadily growing gap, reaching the largest disparity in 2009. Even during the best years of steady growth of the Bulgarian economy, the district failed to make up for having fallen behind so much.

The amount of foreign direct investments is extremely low and has decreased in the period 2007-2009, with a slight recovery in 2010. The largest companies in the district operate in the sectors of transport/forwarding services, mining and processing of gypsum, production of rubber products and the apparel industry. The district has not attracted major new companies in years. Despite its favourable geographical location, tourism is extremely underdeveloped, despite the efforts of the municipality of Belogradchik in recent years.

Quite logically employment is lower than in other districts: only 34% of people over 15 years old had a job in 2011, against a 46% national average. In fact, the highest employment rate in Vidin was only 39% in 2008, indicating systemic problems in the district.

The economic situation in the district leads to lower income per household member. Vidin recorded one of the lowest incomes per-capita in 2011, of BGN 3,052 per person, it was about 20 per cent lower than the national average. Only half of the household income in the district is from salaries, the other half is formed from pensions and other social transfers.

Municipalities in the district fail to adequately exploit the opportunities of EU funding; the district ranks fourth among the unsuccessful districts according to the uptake of operational programmes funds: at the end of 2011, it reported around 60 euros per resident of the district, against a national average of € 105, the highest being in Gabrovo: almost € 310.

All a.m. affect the local population's perception of the standard of living: more than 70% of respondents gave an extremely low rating to their income and consumption levels, that is among the lowest ratings in Bulgaria.

Business Environment

The levels of local taxes covered by the survey are slightly below the national average, except for the tax on vehicles; Vidin District had the second highest tax rate in 2012, along with the districts of Veliko Tarnovo, Sofia (city), Shumen, and Dobrich. Interestingly, the municipality of Rujintsi has consistently been applying the highest rate permitted by law for the respective local tax.

In terms of local charges (household waste collection charge and fees for use of industrial goods markets), in 2012 municipalities in the Vidin District also applied rates lower than the national average. In terms of taxation policies to businesses, the Municipality of Dimovo stands out in the district as it often changes the rates of all of its taxes/charges. The levels of local taxes over the last ten years have changed: the municipalities of Ruzhintsi, Gramada, Makresh, and Novo Selo increased their rates, starting from low levels, and the municipalities of Kula, Vidin, and Dimovo lowered them, having started from a higher base.

The quality of the business environment in Vidin District is close to the country average. Over half of the businesses replied that they had never made an informal payment. This percentage is even higher where it refers to having used bribery to obtain a favourable decision, a change in local regulations benefitting one's business and public procurement, where the figure exceeds 70%. The judiciary received the highest ratings in terms of competence and speed: over 50% of businesses believe that both are of a high level. The results worsen where probity and impartiality of courts are concerned.

The most serious shortcomings in the work of local administration seem to be the clarity of requirements to companies, the speed of service, and staff friendliness.

Infrastructure

The road network density in Vidin District is the fifth highest in the country, ranking only below Gabrovo, Pernik, Targovishte and, Sofia. There is no motorway passing across the district, and in 2011, 12% of the road network was Class 1 roads, 15% - Class 2 roads, and the remaining 73% of the roads were Class 3 roads.

The district has four border crossings. Despite high expectations that local economy would be boosted by the commissioning of the Vidin-Calafat Bridge at the end of 2012, the effects on local businesses remain arguable and it is still unclear whether this would have any major impact on job generation in the district.

The density of the railway network in the district is near the country average, and the lines are all electrified.

Data on the transport loss of water along water supply and irrigation systems ranks the district first by efficiency: in 2010, there were 3.86 million cubic metres / year of loss, against a national average of 35 million cubic metres/ year. This can be explained by the lower levels of water consumption by households because of the shrinking

population, and the closing down of many industrial companies over the last decade.
The share of households with Internet access in 2011 (46.6%) slightly exceeded the national average (45%), having increased threefold over the past four years. Hence the significant increase in the proportion of people aged between 16 and 74 years who used the Internet in the last 12 months: from 14.3 per cent in 2006 to 51.8% in 2011.

Demography

Vidin is the least populous among all districts in the country. All studied demographic indicators have suffered extremely negative developments over the last ten years. The number of population registered the largest decrease over the past decade from among all other districts, and at the end of 2011 became 100,344 people. The rates of net migration and natural increase of the population have steadily maintained high negative values, leading to a particularly unfavourable age structure. The district reported the highest age dependency ratios, i.e. the proportion of elderly people is constantly increasing without a corresponding increase in the number of young people and people of working age. These processes are currently having an adverse impact on the economy, and prospects for the future are even worse. According to the NSI data on migration of the population in 2010, people from the district were mostly leaving for the capital city and Montana District.

Healthcare

Vidin has had three hospitals for years, that puts the district in the group of districts with relatively poor provision in terms of hospital establishments. The decrease of the number of population is reflected in the greater availability of General Practitioners, one GP serving an average of 1,375 people, that was below the national average for 2011: 1,564 people. The district reported a very low incidence of tuberculosis: one person infected per every two thousand, with the national average of two infected per two thousand, and almost three in the Plovdiv District.
Vidin reported one of the lowest numbers of patients who sought hospital treatment per 1,000 population, that may be due to the relatively low availability of hospitals and the lower than the national average availability of certain specialists, such as cardiologists.
The study conducted in 2012 revealed that from those who used healthcare services in the past year, less than 10% had been forced to make informal payments, and 75% received medical care in the district, without having to travel outside it.

Education

The depopulation of the district has affected the structure of the school system, with schools decreasing by 21 over the last decade, and in 2011 their number was 38. Logically, there has also been a decrease in the proportion of students in primary and secondary education to the population of the district, and in 2011 it was the seventh lowest after the districts of Veliko Tarnovo, Gabrovo, Kyustendil, Pernik, Sofia, Smolyan, and Sofia (city). Partly because of its ethnic structure, Vidin District has a lower-than-average net enrolment rate of the population to Grades 1 through 4 (in the same group as Kardzhali, Montana, Sliven, Silistra, and Dobrich), despite the improvement registered in the last five years. Vidin made some progress in reducing the proportion of school drop-outs, but in 2010 it still scored levels of school dropouts above the national average. The education system efficiency in the district is low; at the last matriculation exam in 2012 in Bulgarian language and literature, 8% of the grades scored under 3 (worse results were reported only in the districts of Montana, Razgrad and Yambol). There is no university in the district despite years of efforts to open a branch of the technical Euro-Swiss University, but to no avail. In an effort to revive the project, the Vidin Municipality organised a referendum in 2009 among the local population; 29% of voters cast their vote, and the result was in favour of the idea.

Environment

Vidin District is lagging behind the national average indicators on environment. Only about half the population has access to public sewerage, against an average of 70 % for the country. So far, the district has no operational urban wastewater treatment plants, but in 2012 an ISPA-financed project was launched for the construction of a treatment plant and reconstruction and completion of the sewerage and water supply networks in the municipality of Vidin.
Vidin also performs poorly in terms of harmful emissions into the atmosphere: in 2010 these amounted to 233 tons per sq. km. of the district's area, and have been on an increasing trend in contrast to country-wide developments and despite the shrinking share of the industry in the district's economy.
The district is performing poorly also on the indicator of waste collected per population served: the volume is

constantly growing on the background of a downward national trend over the last decade. In 2010, 504 kg. of household waste were reported per person, that means an increase of more than 50% since 2000, and more than double the figures for the district of Montana.

Social Environment

Nearly 80% of surveyed residents of the district responded that they were dissatisfied with their standard of living, the main reasons being the low income level and unemployment. In 2009, about 10% of people in Vidin District were living in households with low intensity of economic activity and nearly half of the population lived in depravity. The proportion of poor people (according to the national poverty line) for the district reached 29% in 2009, that is the highest in the country for the period 2007-2009.

Relative to the population, the number of reported criminal offences against the person and property in this district is close to the country average, despite the sharp increase of nearly 23% in 2010. Perceptions of corruption are strongest with respect to the judiciary and district administration.

The majority of district residents give a fairly positive evaluation of the way local administration performs. Local people's appreciation of the quality of the environment is high, with nearly 80% of respondents being „very satisfied" with its quality. About 16% of respondents said they would leave the district if they had a chance.

Vratsa

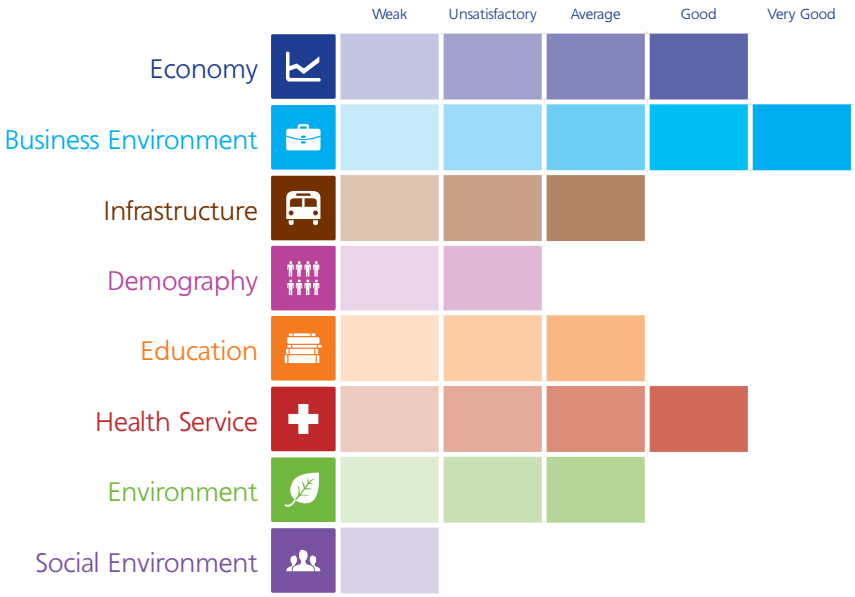
GDP per capita, current prices, BGN (2009)	6979
Population (2011)	185877
Employment rate of the population over 15 years (2011)	40,1
Area (sq. km.)	3619,8

Overview

Vratsa is situated in the North-Western part of Bulgaria. In addition to the town of Vratsa, that is the district centre, it covers 154 populated areas in 10 municipalities: Borovan, Byala Slatina, Vratsa, Kozloduy, Krivodol, Mezdra, Miziya, Oryahovo, Roman, and Hayredin.

The district benefits from a well-functioning healthcare system and economic indicators which appear favourable on the background of the country average. The business environment in Vratsa District is favoured by low local taxes and properly functioning regional and municipal administrations.

Unfavourable demographic processes have had a strong negative effect on the district's development over the last decade. The low standard of living of the majority of the population has a negative impact on local levels of life satisfaction. In terms of education, infrastructure and the environment, the district reports levels close to the national average. Investment activity in the district remains low compared to other districts of the country, but in contrast to the negative overall national trends, the number of working companies has remained relatively stable since 2008.



Economy

During the period 2000 - 2009, Vratsa was the district with the slowest growing gross domestic product (GDP) per capita (about 70% growth for the period) and one of the districts with the slowest increasing incomes (about 80%). One reason is the high baseline at the beginning of the period compared to the national average. Until 2003, manufactured product per capita in the district was larger than that in districts such as Varna, Burgas, Plovdiv, Stara Zagora, and Sofia. Since then, Vratsa District has been gradually losing ground, and in the crisis 2009 it was already ranked ninth in GDP per capita. Since 2000, employment has remained below the country average, reaching a peak of 43.5% in 2008. This was followed by a decrease of three percentage points to just over 40% in 2011. In 2010, the average income per household member remained about 4% above the national average and was comparable to that in Varna and Plovdiv. In 2011, income levels registered a sharp decline of nearly 10%.

Investment activity in the district remained high even during the crisis in 2009 and 2010. By the end of 2011, Vratsa was one of the districts with municipalities having utilised the highest funds under EU operational programmes (relative to population), with better results achieved only by Gabrovo and Lovech. The absorbed funds as measured by funds actually paid to municipalities under contracts, amounting to approximately EUR 47 million. Enterprises' expenditure for acquisition of fixed assets has increased as well, reaching their highest levels over the last 10 years in 2010. Since 2007, foreign direct investment in the district has been also increasing with each subsequent year, reaching EUR 178 million in 2010. Relative to the population, however, their levels remain below the national average.

Business Environment

Vratsa is among the districts with the most favourable business environment in the country. The main reason for the district's good performance lies in the low tax rates and municipal charges applied in the majority of municipalities, and the relatively high appreciation for the work of the local administration.

Besides keeping low levels in most municipalities, some taxes were reduced even further in the last few years. The tax rate of vehicle tax is virtually uniform throughout the district: BGN 1.10 per KW, with only Hayredin having a rate that is 7 stotinki (BGN 0.07) higher. According to information submitted by municipalities, these rates have not changed in the last few years. Aside from real property tax, taxes in Vratsa Municipality are at levels below the district average. E-services are increasingly being introduced in the work of the administration, but most municipalities still do not provide two-way interaction with businesses and citizens. These observations are confirmed by surveys among local businesses. Nearly a third of business respondents said they had used electronic services provided by municipal and district administrations in the 12 months prior to the survey. Nearly 90 per cent of them, however, gave a low score to the quality of service; that can be attributed mainly to the municipalities' lack of capacity to provide two-way communication electronically. The municipalities of Vratsa, Krivodol, and Miziya are properly equipped to provide one-stop-shop services. In this respect, three municipalities were still lagging behind in 2012: Kozloduy, Mezdra, and Hayredin.

Despite weaknesses in the operation of one-stop-shop and e-services, local residents' evaluation of the performance of local authorities was mostly positive. Good ratings are also given to district government structures, as well as the municipal and district administrations. Corruption perceptions in the district are relatively low, the main concern being the distortion of competition by changing local ordinances or regulations to serve narrow business interests. Businesses are not very content with the work of judiciary system, especially in terms of its speed and impartiality.

Infrastructure

In 2010, the proportion of households with access to the Internet was only 27% against a country average level of 33%. In 2010, over one third of households had access to the Internet. For the period 2004-2011, the share of people between 16 and 74 years using the Internet has been rising in line with trends in the country. As compared to 2006, the losses in the transport of water in public water supply and irrigation systems in 2010 fell by nearly 50%: 17.89 million cubic metres. In relation to the population of the area, the efficiency achieved was about 30 per cent better than the national average.

Over the period 2000-2010, the length of railway lines in the district was reduced by about 80 kilometres, or 40%. This is due to the closing down of some of the railway routes in the district as a result of the restructuring of the railway network. Over the same period, the length of roads part of the national road network increased by only 2%. However, the density of road and railway infrastructure in the district remained above the country average. According to local businesses and residents, the infrastructure in the district is not at the required level to have a positive effect on the economic activity and quality of life in the district.

Demography

Between 2001 and 2011, the population of the district has decreased by over 17%, making the Vratsa District one of the fastest depopulating areas in the country after Montana (18.1%) and Vidin (22.5%). The age structure of the population in the district has been deteriorating throughout the period, and in 2011 there was a person over the age of 65 for every three people of working age. Although the birth rate has remained constant since 2004, while the population has been shrinking, the proportion of persons under 14 years continues to decline compared to those over the age of 65.

The process of urbanization has been slower than in most of the country; over the period 2001-2011, the proportion of the urban population increased by only two percentage points, reaching 58.8%. Vratsa is one of the most sparsely populated regions in the country and it is one of the districts with less than 1,000 people per square kilometre. The high negative rates of natural increase and net migration over the last 10 years are the main reason for the unfavourable demographic situation in the district. Data on internal migration of the population show that about 25 per cent of those who left the district during that period have headed to the capital city.

Education

Relative to the population, the number of operating schools remains high, although during the period 2001-2011, over 50 schools were closed in the district. Over the same period, the number of both teachers and students in primary and secondary education decreased by 32% and 31% respectively, that is about 4 percentage points faster than the national average. During the last 5 years there has been a downward trend in the number of school drop-outs. Another positive development is that the net enrolment rate of the population in Grades 5 through 8 remains above the country average. Over 6% of high school graduates failed the matriculation exam in Bulgarian language and literature in 2012. Since 2008, the grade scores at matriculation exams remained close to but still below the national average.

The proportion of the population aged between 24 and 65 years with higher education remains below the national average, but the last few years saw an increasing trend in the number of university graduates. In 2010, one in five residents of the district had higher education, although over the past decade the number of university students in the district has shrunk to half its past values.

Healthcare

Vratsa is the district with the largest number of hospitals in proportion to the number of local population. Despite the significant depopulation over the last 10 years, the number of hospitals has been preserved and even increased. Since 2000, the number of GPs in the district has decreased by nearly 10%, but this decline is lagging behind the pace of decline in the district's population. Thus the ratio between the number of GPs and the local population of Vratsa District is gradually approaching the national average. Overall, in the period since 2000, there has been no significant change in the number of specialist physicians in the district, and certain specialists, such as cardiologists, have even increased in number. The only major decrease was reported for specialist in internal medicine, whose number is now halved.

The number of persons treated at hospitals in the district is nearly 30 per cent higher than the national average. Over the period 2001-2011 their number has increased by over 60%. Tuberculosis incidence remains above the national average; when measured in proportion to the number of the population, the incidence is higher only in Plovdiv, Lovech, and Kyustendil. In 2010, 86% of the population had health insurance. According to surveys among citizens, 25% of those who used health services in the previous 12 months had to make informal payments to obtain the needed service. Nearly 13 per cent of them had to leave the district in order to have access to the necessary care.

Environment

Emissions of harmful substances in the atmosphere rose sharply in 2007, when they reached 330 tonnes per square kilometre: a record-high level for the district. In 2010, the amount of harmful substances fell below 2001 levels.

Over the past ten years the volume of waste produced has shrunk nearly three times; this phenomenon can be explained, inter alia, by the reduced population in the district. The proportion of the population with access to public sewerage was only 54.3% in 2010 at a country average level of over 70%. Relative to the population, the design capacity of water treatment plants remained almost unchanged for the period 2006-2010, at around 25 per cent lower than the national average. Only two new water treatment plants are currently under construction: one for sewage water one for potable water. Local residents give a „medium" score to the quality of the environment, on the background of mostly high ratings in the rest of the country.

Social Environment

The district's main problems stem from the high proportion of people living in households with low intensity of economic activity (15.4%) and the share of the population living below the poverty line (about 24%). In contrast, about 43 per cent of the population lives in depravity, that is slightly below the national average. The average score given by citizens to the performance of local institutions and local residents' satisfaction with different aspects of life in the district are in line with the national average.

A growing number of reported criminal offences against property and the person has been recorded in the district. In proportion to the population, the crime rate is higher only in the capital Sofia and in Burgas. These figures are supported by the low scores given by local people to the judiciary and law enforcement services. However, only 4% of the surveyed citizens said they would leave the district if they were given the opportunity.

Gabrovo

GDP per capita, current prices, BGN (2009)	7322
Population (2011)	122117
Employment rate of the population over 15 years (2011)	42,5
Area (sq. km.)	2023,0

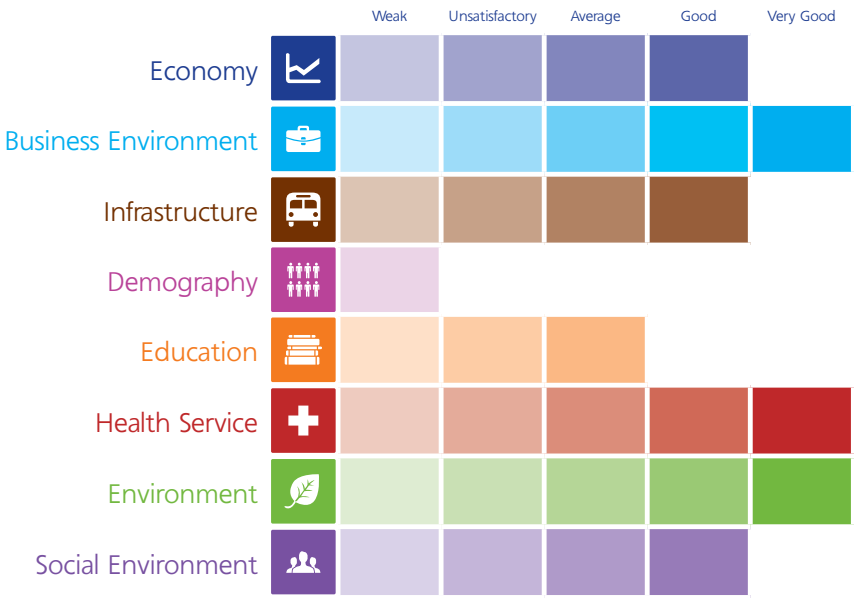
Overview

Gabrovo District is located in the North-Central part of the Stara Planina mountain range and is part of the North Central Region. The district covers 363 populated areas, divided into four municipalities: Gabrovo Dryanovo, Sevlievo, and Tryavna. 99% of the populated areas in the district are villages.

The district received some very good grades: for business environment, healthcare and environmental quality. Rates for the surveyed local taxes are relatively small, the perception of corruption is low, and the administration's work is seen as relatively successful. Hospital availability is high, and the share of residents with valid health insurance is significant. The district has the highest number of operating waste water treatment plants; the proportion of the population in settlements with public sewerage is also quite high.

The overall ranking of the economy, environment and social infrastructure is good. The district received its lowest score for its demographic situation.

At the end of 2011, municipal administrations in Gabrovo District scored the best absorption of EU funds under Operational Programmes.



Economy

Gabrovo District ranks third in this category after the capital city and Varna District. It ranked sixth in GDP per capita in the last year for which data is available at the regional level: 2009. According to its level of income per household member, the district is a little ahead of Plovdiv District, but still levels are three times lower than the best performing district of Sofia. The district recorded an upward trend of growth of GDP per capita in recent years and is among the best performing in this field, excluding the capital city.

The level of employment in the district over the period 2000-2011 was slightly above average, but in 2009 it saw a decline reaching 43% in 2011 against an average of 45.6% for Bulgaria. Meanwhile Gabrovo recorded one of the lowest unemployment rates in the population above 15 years of age. This is explained by the ageing of the population (the most pronounced when compared to the rest of the country), i.e. people who can work but are unemployed are the least percentage of the population in the district compared to the remaining part of the population.

The district is performing relatively well in attracting foreign investment. For the past ten years, these have increased steadily, with the exception of 2007, when a significant drop was reported. This was due to the dependence of many local companies on markets in Russia and other former Soviet republics; these latter experienced a crisis period in 2008. This, however, was followed by a period of recovery that began in 2009 and in 2011 the district was already ranking seventh among the other districts according to investment attracted per capita. The current economic crisis is affecting the district, but not to the same extent as other regions. Some of the companies are small, with well-developed external market, and provide specific goods/services not seriously affected by external conditions.

Despite the good inflow of investment, income levels lag behind the national average, with BGN 3,351 per household member in 2011 against national average levels of BGN 3,782.

According to end-2011 data, Gabrovo District tops the chart with the most money paid under the Operational Programmes per capita.

Business Environment

The district registered in 2012 the lowest tax burden on businesses in terms of property tax and vehicle tax. The municipalities of Gabrovo, Dryanovo and Tryavna do not conduct an active local taxation policy and tax rates have remained low and largely unchanged since 2008. Only the Gabrovo Municipality has maintained higher rates of license tax, without applying any changes.

The waste collection charge was significantly reduced in 2011 in the municipalities of Dryanovo and Gabrovo. However, the fee for use of industrial goods' markets, the most significant increase being in the municipality of Gabrovo in 2009 and to a lesser extent in Tryavna Municipality in 2005. Despite the increase, the levels of charges are still below the national average.

The business environment in Gabrovo is considered among the best in the country after the districts of Vratsa, Blagoevgrad, Smolyan, Yambol, and Targovishte. Corruption is estimated to be relatively low, but still above the national average. The most serious problems lie with the performance of the judiciary and local government structures; respectively 22.5% and 15% of businesses believe that corruption there is „high" or „very high".

The judiciary received the seventh lowest rating in the country. Over 60% of private sector representatives responded that there are serious problems with the fairness and speed of operation of the judicial system while half of the businesses believe that it is „moderately" corrupt.

The performance of the administration received medium scores. About half of businesses do not believe that local administration is corrupt or has problems with the qualifications of its staff and clear requirements to users of public services. At the same time issues are reported with the speed of service and responsiveness of the staff.

Infrastructure

Two main routes cross the Gabrovo District: Sofia - Varna and Ruse - Stara Zagora. The district performed very well in some of the indicators in this category and is closest to the overall highest score of Sofia (capital city). Although there is no motorway in the district, it still has the highest density of road network: 24.9 km/100 km2 against a country average of 17.5 km/100 km2.

In 2011, the district reported a relatively high proportion of people aged between 16 and 74 years who had used the Internet in the last 12 months.

Gabrovo District also reported the lowest losses in the transport of water in public water supply and irrigation systems: 8.65 million cubic metres/year in 2010, compared to the national average of 35 million cubic metres/year and the highest value of 132.62 million cubic metres/year reported in Pazardzhik.

Demography

Gabrovo is among the districts with smaller populations: at the end of 2011, the population reached 122,117 people, that means it had shrunk by more than a fifth since 2001. Over 80% of the population lives in towns in the district, that is typical for the capital Sofia and for Varna District. The District of Gabrovo has suffered from negative and permanently deteriorating demography for years. The most critical processes are ageing (Gabrovo has the worst ratio of elderly people over 65 years to children up to age 14) and a high steadily worsening dependency ratio, measured as the ratio of the elderly to those of working age. The main reason is that a large proportion of the working age population has left the district, the process being particularly active after 2009, and the lower birth rates compared to the country average.

Education

A review development of the enrolment rate in different stages of primary and secondary education shows that the district has improved its performance in the last five years, but there is still a lot to be desired. While enrolment in grades 1 through 4 is at levels above the national average of 97.3% for 2011, enrolment in grades 5 through 8 is 79.5%, despite certain progress, and in grades 9 through 12 the indicator scores slightly better than the average of 83.8%.

The proportion of school drop-outs in Gabrovo follows the levels and tendency of the national average. The district ranked third according to the share of the population aged between 25 and 64 years with tertiary education in 2010, reaching 24.2%. In this respect, Gabrovo District falls behind only Sofia (capital city) and Varna. There is one institution of higher education in the district.

Healthcare

The Gabrovo District, alongside Vratsa, Smolyan, and Sofia, is among the districts with the best level of availability of hospitals per 100 thousand population. In 2010, there were six hospitals operating in the district, in contrast, for example, to Silistra (only two). This is mostly explained by the fact that no hospitals have been closed in the district since 2003, despite the steady decline in population. Therefore the process of reducing the number of GPs in the district failed to have a major impact lowering the availability, since the population has been shrinking at a faster pace. So in 2010 each general practitioner had an average patient list of 1,591 people, while in 2007 it included 22 persons more.

In 2010, the district reported an unfavourable proportion of people suffering from tuberculosis, and even a small increase in 2009, that differs from the general trend of reduction in the country.

The district reported one of the highest ratios of the number of persons with health insurance per 100 residents: in 2010 it was 91 out of 100 people, that is the same level as that for the districts of Smolyan and Sofia (capital city) and well above the lowest levels in the districts of Sofia and Pazardzhik (88 in every 100 people).

Environment

Gabrovo District performs well on this indicator. The main reason is the low level of registered emissions of harmful substances into the atmosphere per sq.km. of territory, that has been steadily decreasing over the years. The district has the best capacity of existing urban wastewater treatment plants: in 2010 it was 6.95 thousand cubic metres per day. For comparison, the average capacity in the country is 2.96 thousand cubic metres per day. This leads to lower environmental pollution from sewage, and higher utilization of the water resources. The district has constantly been improving its capacity in recent years. In 2010 it started a major water cycle project for the town of Gabrovo financed with EU funds, that aimed to improve the system by treatment and supply of potable water and the drainage and treatment of wastewater. In 2011, two projects (Municipality of Tryavna and Dryanovo) for wastewater treatment plant were also launched. The construction of a wastewater treatment plant in Sevlievo started in 2012.

Gabrovo is among the leaders according to the percentage of the population in populated areas with public sewerage systems. In 2010, about 84% of the residents in the district had such access, compared with the national average of 71% and lowest figures for Kardzhali District, where about 42 per cent have access to public sewerage.

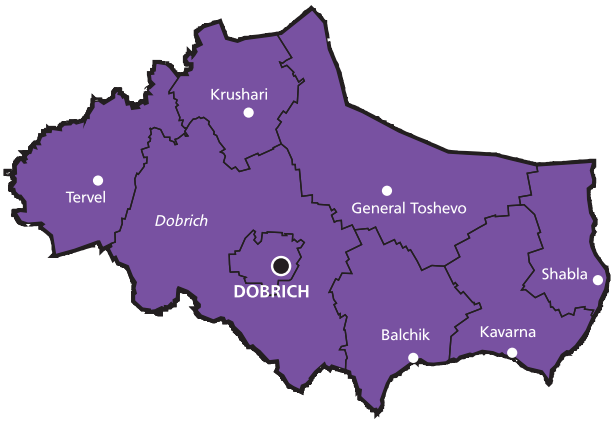
Social Environment

Gabrovo is among the districts scoring quite high on social environment. In 2009, only 4.7% of the population was living in households with low intensity of the economic activity. That same year, the share of the poor against the poverty line for the district was 15.9%, and only slightly more than half the population fell into the group of people living in material deprivation. Over half the residents of the district are dissatisfied with their

standard of living, but their overall score is close to the national average.
The majority of the population is satisfied with the living conditions in the district. Each resident of the district has an average of 38.7 square metres of living area in housing in towns and villages; on this indicator Gabrovo comes only after Montana, Vidin, Lovech, and Pernik. Relative to population, the crime rate is close to the national average. Meanwhile Gabrovo is one of the few districts where the number of reported crime did not rise post-2008.
Despite the Average level of health services, more than half of the local population believes hospitals are prone to corruption, while 17% of respondents said that they had to make informal payments to obtain the needed service. One in four people had to leave the district to receive the necessary medical care. Confidence in the judiciary is not very high, with about 40% of respondents believing the level of corruption to be „high" or „very high". Despite the high rating of the district in the social sphere, 22% of respondents said they were prepared to relocate elsewhere.

Dobrich

GDP per capita, current prices, BGN (2009)	5377
Population (2011)	188974
Employment rate of the population over 15 years (2011)	42,2
Area (sq. km.)	4719,7



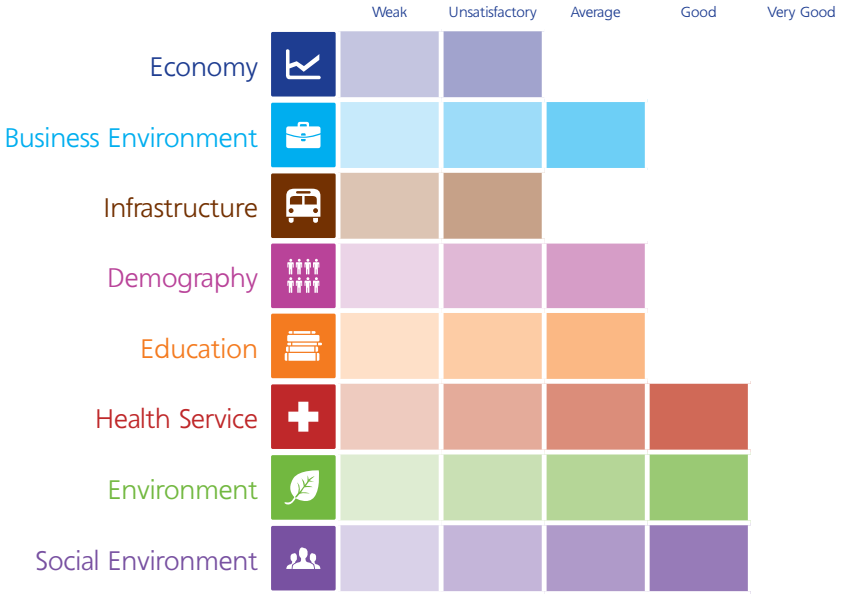
Overview

Dobrich District is located in the North-Eastern part of Bulgaria. It consists of nine municipalities with 214 populated areas. The economy of the district is generally in a poor condition. Only agriculture seems to be developing well, but it lacks the capacity to create enough jobs. Although the district has territory along the coast and has attracted quite a volume of foreign investment, the economic activity inland has gradually been decreasing and more people seek a livelihood elsewhere.

Not enough is being done in terms of business environment, education and healthcare, including the retention of specialists in the two budget-financed systems. The infrastructure in the area is also poor.

The low income levels and lack of opportunity force many people of working age to leave the district. The number of those who would permanently relocate elsewhere is also very high.

Positive developments include the good quality of the environment and to some extent, the efficiency of local administration. Local tax policy, however, is perceived as business-friendly.



Economy

Dobrich has a GDP per capita equal to 60% of the national average and 25% of that of Sofia (capital city). However, income per household member is moving at higher levels - about 80 per cent of the country average for the last three or four years. Employment is traditionally lower than the national average, and unemployment runs at levels well above the national average, especially in the last three years. From a district with a well-developed food processing and other light industries, Dobrich has become a predominantly agricultural area. With the advent of modern technology and mechanisation in agriculture, the demand for manpower has diminished. This is why over the past years, many people rely on seasonal work at the seaside or employment abroad, mostly in Spain and Greece. The local apparel industry has managed to remain stable.

Dobrich is relatively highly ranked for the amount of attracted foreign direct investment (FDI) and investment per capita. Most investments are focused in the areas of tourism, renewable energy sources (RES), and, more recently, in retail trade, in particular large supermarket chains.

Dobrich is among the top ten districts whose local governments have used the most money per capita from EU Operational Programmes: EUR 70.8 per person at the end of 2011, or EUR 13.4 million in absolute terms.

Business Environment

The overall rating given to the business environment in Dobrich District is 0.4 percentage points above the national average. In general, local administration and the judiciary are perceived as performing rather well against the average scores for the country. Businesses rate qualifications of municipal staff fairly highly. The perception of the level of corruption in various institutions is relatively low.

Local taxes are generally higher than the national average, particularly with regard to the tax on commercial vehicles and passenger cars. As to local charges, however, Dobrich is much more competitive than most other districts because of its low garbage charge.

Businesses in the district are paying for the most expensive water in the country. The reason is the high inefficiency of the water sector and the large losses in the water supply network.

Infrastructure

The infrastructure in Dobrich District is assessed as unsatisfactory. The district remains off the main transport corridors and it is hardly surprising that the road network has increased only slightly over the past ten years. The condition of existing roads is also poor. Railway infrastructure is almost non-existent: the district is among those with the lowest railway density, with only 1.3 kilometres per 100 sq. km.

Dobrich lags considerably on the indicator „proportion of households with Internet access": just over a third of households have access to the web, against 67% for the best performing district (Sofia). However, the district scores slightly better on Internet use, suggesting that many people have access to the Internet outside their homes.

Losses in the water distribution network in Dobrich District are above the national average and are emerging as a major problem. This is also quoted as a major reason for the high cost of water. There seem to be some efforts aiming to solve this issue because losses decreased by nearly 15 per cent over the past five years.

Demography

The demographic situation in Dobrich District look a little bleaker than the country average. The population is steadily shrinking, and has decreased by 12% over the last decade. This process is determined, on the one hand, by the low birth rate, respectively negative natural increase, the rate of which was an average of -4.9 ‰ in the period 2001-2011, and, on the other, by the permanent outward migration of the population to other areas of the country or abroad.

Dobrich residents migrate mostly to Varna: more than 20% of those who relocated have settled there. Next on the list of preferred locations are Sofia (capital city) and abroad; emigration out of Bulgaria, as in many other districts, has increased after 2009. The reason is probably the dwindling chances of finding a job in the midst of the economic crisis affecting the country.

The proportion of the urban population in the district is below the national average: 68.9 per cent in 2011. However, with respect to ageing, Dobrich stands relatively well compared to most other districts. To every 100 people of working age there are 27 elderly citizens over 65 years, and to every 100 people aged 0 to 14 there are 132 over 65.

Education

The quality of education in Dobrich District is slightly below the national average. The rate of enrolment in Grades 1 through 4 in 2011 (94.8%) registered a decline compared to one year earlier and is now below the national average by one percentage point. A more worrying trend however is that many students drop out of school in the next stages of education. The rate of enrolment in Grades 5 through 8 decreases to 83.4%, and in Grades 9 through 12 it plunges to one of the lowest in the country: a mere 70.2 per cent. Accordingly, the proportion of school drop-outs as a percentage of all students is one of the highest recorded in the last ten years. Statistics also show a very high percentage of students who repeat the year. When interpreting these indicators, it should be borne in mind that the district has sufficient educational infrastructure, judging by the number of schools and teachers that exceeds the national average.

The results of matriculation exams ran slightly below the national average in the years between 2008 and 2011, and only in 2012 rose slightly above them. The share of students who failed the exams is among the lowest in the last two years.

There is a tourism college in the district that partners with both Bulgarian and foreign employers. This allows for trainee programmes, with quite a few of the graduates starting employment in their specialty outside Bulgaria. An expected development that could give additional impetus to education, and help young people live and work in the district is the opening of an Agricultural University in Dobrich. The accreditation for such a university was issued five years ago, voting by the National Assembly has been delayed for a long time, giving rise to suspicions of pressure from other universities.

Healthcare

The quality of health services is assessed as good. The number of hospitals per capita is above the country average. No hospitals were closed in the district, despite the declining population, and the availability of GPs is good. There is, however, a problem with the inadequate number of medical specialists such as cardiologists and particularly of specialists in internal medicine. Over the past several years, there has been a trend for local doctors to leave the country.

About one third of surveyed citizens believe that the level of corruption in hospitals is a concern, although it is close to the country average. One out of ten people who used medical services in the last 12 months had been forced to make informal payments. One third of people have sought healthcare outside the district, that is relatively high compared to the national average.

Social Environment

Social environment indicators are ahead of the country averages by 8.5 points. This is mostly due to the high rating given by citizens to the performance of public institutions, that is among the highest along with Varna, Burgas, and Targovishte.

One of the advantages is the district's relatively low crime rate. The number of crimes against the person and property has decreased steadily over the past ten years, and then at a rate much faster than the national average. This reflects on the relatively high sense of security in the area.

Somewhat in contrast to the unimpressive level of economic activity, the proportion of households living in material deprivation is a quarter below average. This cannot change the fact that the low standard of living continues as the main problem facing the population. Given the general dissatisfaction with jobs, it is hardly surprising that more and more people seek a livelihood outside the district. According to the survey conducted among citizens, propensity to migrate outside the district is relatively high, with nearly a third of the people responding they are prepared to permanently move to another district.

Environment

Dobrich ranks better than the country average on the Environment indicator. The biggest plus of the district are the lower levels of harmful emissions into the atmosphere, that is normal for a largely agricultural area. By 2010, the district also had a capacity of waste water treatment plants well above the country average. As at 2012, potable water treatment installations are under construction in Kavarna and Shabla, and a wastewater plant in the Tervel Municipality. The main issue seems to be the increase of household waste per capita over the last ten years, provided that there has been a decrease at the national level. Dobrich is lagging behind in terms of sewerage infrastructure: 67.7% of the population lives in settlements with public sewers, against the 70.6% national average.

Kardzhali

GDP per capita, current prices, BGN (2009)	5076
Population (2011)	152474
Employment rate of the population over 15 years (2011)	39,2
Area (sq. km.)	3209,1

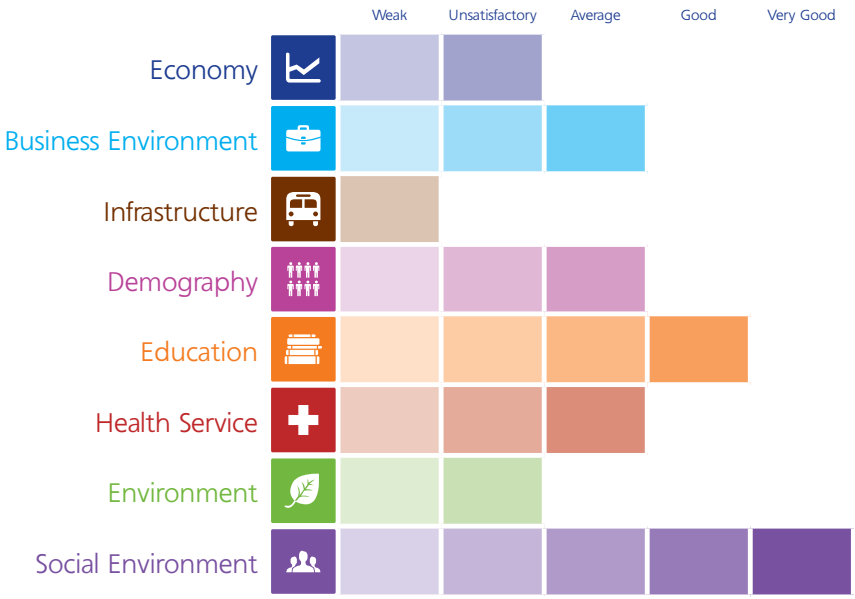
Overview

Kardzhali is located in South-Central Bulgaria. In addition to the district centre of Kardzhali, it includes 471 populated areas in 7 municipalities: Kardzhali, Ardino, Dzhebel, Kirkovo, Krumovgrad, Momchilgrad, and Chernoochene.

Demographic developments in the district are more favourable on the background of prevailing processes in the country, the issues mainly related to net migration. The predominantly rural population is characteristic of the district and determines the economic realities, particularly low economic activity and low employment, that in turn are a major factor for poverty in the district.

Interesting developments are taking place in education. On the one hand, the district enjoys a very strong secondary education system, but on the other hand, the percentage of university graduates among the adult population is a record low for the country, that explains the lack of qualified staff.

Economic challenges do not prevent Kardzhali residents from being relatively happy. The low crime rate and good environment are key factors that explain life satisfaction.



Economy

The gross domestic product per capita in the Kardzhali district is relatively low compared to the national average. However, the district has improved: from traditionally the poorest district, in recent years it managed to get ahead of 5 or 6 districts, including Silistra, Sliven, Vidin, Razgrad, and Montana. Employment in the district is among the lowest in the country and as a result of the crisis it shrank to less than 40% employed persons (from the population aged 15 + years). The official unemployment figures show puzzling low levels, but also the statistical source indicate that the sample is not large enough, that calls into question the data. The discrepancy is partly explained by the very low levels of economic activity, that means that many people who do not work are not counted as officially unemployed.

In recent years there has been a rise in the number of businesses per capita, but Kardzhali remains at the bottom on this count, along with the districts of Targovishte and Montana. There is a certain degree of connectedness between the economic realities in the district and political processes in the country: for example, public works projects and policies targeting tobacco growers.

At the end of 2011, the money paid from funds under Operational Programmes in municipal administrations are just over BGN 31 million, that, relative to population, is high compared to other districts. Foreign direct investment is relatively low, and when calculated as relative per capita, is similar to those in Shumen and Yambol.

Business Environment

Local taxes and charges in municipalities in the district are around the national average: only garbage collection charges are distinctly higher than in most other districts. In the town of Kardzhali, local taxes are relatively low compared to other regional centres.

The businesses' perception of corruption in the district is fairly good as it shows a low level of corruption against the national average. Informal payments occur rarely and mostly in public procurement. These perceptions are also noticeable when evaluating the performance and interaction with local authorities: ratings are again positive.

Administrative services of municipalities continue to be a challenge. According to feedback from municipalities themselves, the level of provision of electronic services is most frequently at the „one-way communication" level (the second level of four possible) while one-stop-shop services are mostly at the „developing" stage (second out of four possible). Businesses' ratings given to e-services are relatively high, but at the same time only one in four companies had used such services, and the use mostly consisted of downloading forms.

Infrastructure

The density of the road network in the district is at levels above the national average. Rail transport is poorly represented, with the density of railway network being one of the lowest in the country. It is only lower in Smolyan, that is the only district without railways, and in Dobrich.

Kardzhali is characterized by the smallest loss of water in the supply infrastructure, relative to the population; figures are comparable to Vidin and Silistra.

Access to and the use of the Internet in Kardzhali are obviously problematic because the score on this point is the lowest in the country. The share of households with Internet access is below 30%, while the country average is for almost one in two households to have access. The situation has improved over the last year, with statistical figures now being closer to the national average.

The business survey shows that the infrastructure is perceived positively by businesses and is rarely cited as a major obstacle to development. Citizens also indicated satisfaction with the state of the infrastructure, but give more weight to other aspects of life such as the environment and security.

Demography

For the period 2001 - 2011 the population of Kardzhali District decreased by nearly 7%, that is a relatively slow rate of shrinking against the national average. The rate of natural increase is negative, as in any other district in the country, but the levels are low and close to zero, similar to Varna, Blagoevgrad, and Sliven. Net emigration is high, however, and in certain years (2009 and 2010) the population dropped by over 1,000 people because of migration abroad. In 2011, these processes lost their sharp edge everywhere in the country and hence the numbers in Kardzhali shrank by half.

Kardzhali is the district with the highest proportion of rural population: just under 60%. Only Razgrad and Silistra resemble Kardzhali in terms of the predominantly rural population. The age dependency ratio is better than the country average, with the population aged over 65 is 20% more than the population aged 14 years or younger. However, demographic developments follow the general trends in the country and are deteriorating.

For comparison, in 2006 the ratio between elderly people (over 65 years) and young (14 years and younger) was one to one. In 2001, the working age population (15-64 yrs) was nearly four times the population aged over 65 years, that stands relatively well against the country average.

Education

Over the period 2001-2011, the number of school students in the Kardzhali region fell by over 30%. This logically leads to fewer schools - from 129 in 2001 to 82 in 2011, and also to a serious decline in the number of teaching staff. Such processes are typical for most areas, and generally country's trends. However, Kardzhali District is characterized by relatively more teachers per 1,000 students: only Smolyan is ahead on this indicator. Kardzhali and Smolyan are the districts with the least population per one school.

School dropouts are less than 2 per cent of all students in 2011, this is Kardzhali's best result over the last 10 years and relatively better compared to the national average. The percentage of repeaters is also low.

Score grades from the matriculation exam in Bulgarian language and literature in 2012 were high (4.48 average for the district), with only Sofia performing better. The percentage of fails, i.e. those who scored less than 3, was also relatively low: around 4% in 2012

There is no university in the district, but there are branches of the Mining and Geology University and the University of Plovdiv. Both schools attract students from neighbouring districts, that brings benefits to the district centre. However Kardzhali district has the lowest percentage of university graduates: only 10% of the population aged 25-64 has tertiary education, while the national average is twice as high. This explains to some extent the economic problems in the district and the lack of qualified staff.

Healthcare

The number of patients who sought hospital treatment in Kardzhali is traditionally maintained at low levels: 178 per 1,000 population in 2011. Doctors in the district weighted against the population, are very few in number compared to the country average, and this unfavourable ratio applies both to GPs and cardiologists, for instance.

An interesting phenomenon is observed with health-insured people in the district. According to official statistics, insured persons in Kardzhali last year (2011) were more than the population of the district. This strange growth in the number of health-insured happened in 2009 when a new 30 thousand health insured persons appeared. The question remains what caused such an anomaly that had not been observed elsewhere in the country.

Informal payments for health are not a common practice: one in ten people who had used medical services in the last 12 months responded he/she had made such payments. One in three however said that he/she had to travel outside the district for health services. The latter is a clear indication that the problems with the delivery of health services in the area are serious.

Environment

The district is characterized by low emissions of harmful substances into the atmosphere; the indicator is only lower in Smolyan, Montana, and Dobrich. Municipal waste collected per population served fell sharply in 2010 and are at very low levels, alongside districts such as Montana and Razgrad.

Just over 40% of the population in populated areas has access to public sewerage, that is explained by the predominantly rural population. Official figures show a very low design capacity of existing urban wastewater treatment plants (public services). Efforts have been made in this area over the last two years, are three new treatment plants were under construction in 2012.

The survey among citizens showed a very high level of satisfaction with the environment (nature, water, air) in contrast to other aspects of their lives, including income level, employment, and infrastructure.

Social Environment

In 2010, nearly 70% of the district residents qualified as living in material deprivation, e.g. were struggling to meet their basic needs. This percentage is higher only in Yambol, while the national average is below 50%. Interestingly, Kardzhali District is characterized by low levels of relative poverty, that indicates a more equal income distribution. In practice, the population in the district is poor but relatively equal in their poverty. This is evident by both the Gini coefficient and the ratio between the incomes of the poorest and the richest households calculated by the NSI. In other words, the problem lies not in the distribution of income but rather in the fact incomes are generally low.

Kardzhali is one of the safest districts in the country and despite the slight increase in crime in recent years, in 2010 there were only 7 reported crimes per 1,000 population. These indicators are better only in Smolyan.

Citizens are also satisfied with the level of security, that, with very few exceptions, is not typical of the country. The population of Kardzhali can be described as happy despite the economic problems in the district. Citizens responded that their life satisfaction is mainly due to the quality of the environment, security, and housing. Education, health and social life also contribute to life satisfaction. At the other extreme, dissatisfaction with life is mostly due to the low income levels and limited consumption.

Citizens give a relatively highly appreciation of the work of institutions in the district, with particularly high marks for the police and schools. Problems with corruption are mentioned in relation to the judiciary and hospitals.

When asked whether they would move permanently relocate to another district, one in six people replied in the affirmative. However, more than half stated categorically that they did not wish to move to another district. The analysis shows that the district's problems are rooted in the economy, with employment and income being the biggest challenge.

Kyustendil

GDP per capita, current prices, BGN (2009)	5316
Population (2011)	135945
Employment rate of the population over 15 years (2011)	42,8
Area (sq. km.)	3051,5

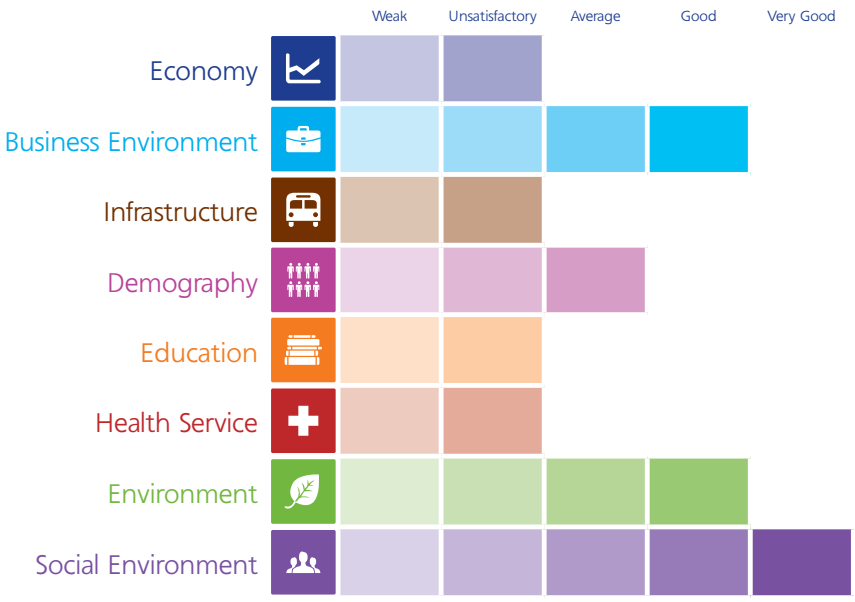
Overview

Kyustendil District is situated in South-Western Bulgaria and covers 181 populated areas in nine municipalities: Bobovdol, Boboshevo, Dupnitsa, Kocherinovo, Kyustendil, Nevestino, Rila, Sapareva Banya, and Treklyano. About 69 per cent of the population lives in towns.

The district reports low income per capita, low employment rate among people of working age, a slow inflow of foreign investment and underperforming municipalities in terms of EU funds utilisation.

The quality and accessibility of the education and healthcare systems are also at low levels, and have been deteriorating in recent years. The population's rating to the way local administration performs is low, and corruption perceptions are high.

Environmental quality is below the national average, although it has shown some improvement. Infrastructure development is rated as „average", with some negative processes of increased losses in transporting water. The local population's evaluation of the infrastructure is extremely poor.



Economy

The district has one of the lowest levels of GDP per capita: in 2009 it was BGN 5,142 against a national average of BGN 9,007. This is mainly due to the fact that about 40% of household income is from pensions and other social benefits, but also because of the low employment rate and inadequate investment.

The employment rate of people aged 15 + is low and is even on the decrease, reaching 43%. Even in the positive economic conditions in 2008, employment barely reached 50%, that indicates a chronic problem with job generation capacity.

Even under the conditions of rapid economic growth and a record inflow of foreign direct investment in the country during 2006-2008, the district reported a decrease on this indicator, that in turn speaks of the unattractiveness and permanent inability of the region to take advantage of favourable conditions.

Income per person in the district was at national average level in 2011, reaching BGN 3,534, making it comparable to Shumen, Yambol, and Sliven. Although the level of income in the district has been increasing over the past decade at one of the fastest rates when compared to other districts, it still failed to reach the national average.

On the background of low levels of investment and employment, even more prominently stands out the fact that Kyustendil is one of the districts with the lowest levels of municipal funding under EU Operational Programmes as at end-2011. This poor absorption capacity reflects the problems faced by the administration in preparing and implementing good projects.

Business Environment

The most active in terms of local taxes is Rila Municipality, that in 2012 increased the tax rates on real estate and license tax for companies, reaching levels higher than the country average. Other municipalities have barely changed their rates since 2008, maintaining relatively low levels.

Regarding the local charges, a more active policy is being observed; it is the most dynamic in the Bobov Dol and Dupnitsa municipalities, toward reducing the waste collection charge and the fee for use of industrial goods' markets, while the municipality Kocherinovo has made a significant increase in municipal waste collection charges since 2009, reaching the highest level for Bulgaria in 2012.

The area has the third worst business environment in the country after Sofia (capital) and Pernik. It ranks last according to the quality of electronic services and is second-highest in terms of public corruption perceptions, after Sofia District. According to the business survey, corruption is lowest in the police force, but even there 25% of private sector representatives believe that it is high. Over 40% believe that corruption is very high in the judiciary.

According to 40 per cent of those surveyed in the private sector, the main problems of administration are slow service and bribery.

Infrastructure

There is no major highway crossing the district, but still it has a density of the road network and railway lines that is close to the national average. In 2011, the local road network consisted of 76% are Class 3 roads, 9% Class 2, and approximately 15% Class 1 roads. Given this distribution, it is logical to conclude that many of the roads are in poor condition; this is only exacerbated by the mountainous terrain typical of the district.

Local water supply indicators are unfavourable. In recent years there has been an increase in reported losses in the transport of water through the public network and irrigation systems, but despite the increase, losses is still below the country average.

Another negative development is the lagging behind in the Internet access. The fact that in the period 2007-2011 the proportion of households with Internet access doubled does not help the overall performance of the district that still reports values lower than the national average: 35.2% against an average of 45%. Data on the proportion of those aged between 16 and 74 years who used the Internet in the last 12 months only registered a slight increase in recent years, so these shares are still lower than the national average. In 2011, they were 24.2%, that is the lowest among all districts, with an average of 51.1 per cent for the country and the highest value of 78.7% for the capital city.

Demography

In 2011, Kyustendil district reported 135,945 residents, placing it in the tenth position by number of population and seventh according to the largest absolute decline in the number of residents over the past decade. In 2010, statistics reported a record number of people who left the district in comparison to previous years, with the number of emigrants almost doubling. Kyustendil is one of the districts with high and persisting fixed negative population growth rates: an average of less than 9 ‰ per year for the period since 2001, leading to a severe

deterioration of the age structure. In 2011, the district reported the third highest dependency ratio (number of elderly to number of children up to 14 years of age) and the fifth highest dependency ratio, measured by the ratio of elderly to the working age population. Around 27% of respondents in the district said they were prepared to emigrate, that is above the national average. The main destinations of those leaving are foreign countries, the capital city, and the districts of Blagoevgrad and Pernik.

Education

The shrinking population greatly contributed to the dramatic decline in the number of students in primary and secondary education in the period 2000-2010, and the number of schools that, after the closing down of 25 schools, are now 49. This leads to deterioration in the teacher/student ratio, putting the district in the same group as Kardzhali, Smolyan, Dobrich, Razgrad, Targovishte and Shumen, with deteriorating ratios which inevitably affect the quality of education. In 2012, a large share of students scored below 3 (the lowest „pass" grade) at the matriculation exam in Bulgarian language and literature. The proportion of failed students reached as high as 8%, marking an increase from the previous four years and placing the district in the fourth worst position on poor matriculation scores. At the same time, Kyustendil District reports low levels of school drop-outs. Continuous improvement has been reported on this indicator over the past ten years, i.e. more students remain in the system, but at the same time the performance at exams seems to deteriorate. The latter observation is confirmed by the population's score given to the quality of education, that is lower than the national average.

Healthcare

Kyustendil is characterized by some of the worst indicators on accessibility and quality of healthcare, and in this score falls within the same group of Silistra, Targovishte, Razgrad, and Plovdiv. The district is among the smallest in terms of population, so for years it has maintained a small number of hospitals: in 2011, they were only five. While in 2010 the district received an average score on hospital availability, the closing down of two medical facilities in 2010-2011 reflected negatively on this score, and now the average availability is 3.68 hospitals per 100 thousand people, that is below the national average (4.4). The same trend was observed for the indicator „number of population per general practitioner": in 2010 each GP had an average patient list of 1,443 people, while in 2011 the number was 1,477 people, or 34 more. This is due to the decrease of the number of GPs in the area by 8 doctors in 2010-2011.

In the period 2008-2010, a decrease was reported of the number of people with tuberculosis, but the district still tops the list according to the number of tuberculosis patients per 1,000 population. There has also been a steady increase in the number of patients who sought hospital treatment per one thousand of the population: from 166 in 2001 to 265 persons, that is attributed to the aging of the population. Perceptions of corruption in healthcare score the highest levels compared to all other districts. In 2010, Kyustendil District reported 88 people with valid health insurance per 100 residents.

Social Environment

In 2009, nearly two-thirds of the population in the district fell within the group of people living in material deprivation. However, the proportion of the poor in the district has gradually decreased along with the number of people living in households with low intensity of economic activity, with both indicators falling below the national average levels. This positive trend can largely be explained by the high levels of employment achieved in 2007 and 2008 for the population over 15 years, reaching nearly 50%. The income stagnation and decline in employment that followed in the period after 2009 created conditions for a gradual reversal of the trend and a fresh increase in the number of people living below the relative poverty line of the district.

Kyustendil is one of the districts with the lowest score in the Social Environment category, with lower performance only in the districts of Stara Zagora, Pernik, Sliven, and Yambol. Although the level of income in the district was only 8% lower than the national average, nearly 75% of the population was dissatisfied with their standard of living. Nearly 60% of those surveyed described the level of corruption in the courts and the judiciary as „high". The low quality of health services in the district has forced more than half of those needing healthcare to leave the district in order to receive the needed health services.

Environment

Despite the reduced harmful emissions in the district, they were still at a level three times higher than the national average in 2010. Air pollution is contributed by some local industries and the fact that a significant part of the population still uses solid fuels for heating, which, in combination with the closed mountainous

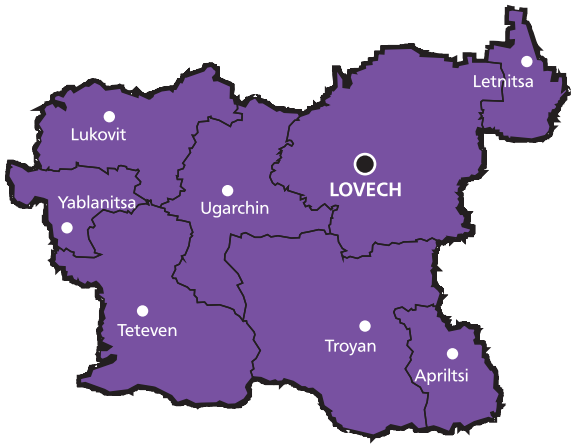
valley characterising local terrain, increases the levels of pollution. In recent years, the environmental condition has improved, with the change mostly due to the limited activity of polluting plants and the strengthened enforcement of environmental requirements. Kyustendil municipality has two wastewater treatment plants: one was built in the 70's, and one opened in 2011 whose construction was funded by ISPA. This is why it has almost double the capacity of existing urban wastewater treatment plants compared to the national average. The municipalities of Dupnitsa and Kocherinovo also have operating treatment plants, while Sapareva Banya and Bobov Dol are currently preparing projects and applying for the construction of similar facilities in their own territories.

Municipalities in the district are relatively active in applying for and obtaining financing for the construction and reconstruction of the sewerage and water supply network, that is the reason why the district has reported progress in recent years on this indicator. Kyustendil, however, is still lagging behind the national average, with about two-thirds of the population having access to a public sewerage system.

The amount of household waste collected per person in the district has been constantly decreasing and in 2011 it reached the national average. It should be noted that since 2008 the Kyustendil Municipality has submitted a number of projects under the Environment Operational Programme, but these were all suspended.

Lovech

GDP per capita, current prices, BGN (2009)	5784
Population (2011)	140597
Employment rate of the population over 15 years (2011)	40,5
Area (sq. km.)	4128,8

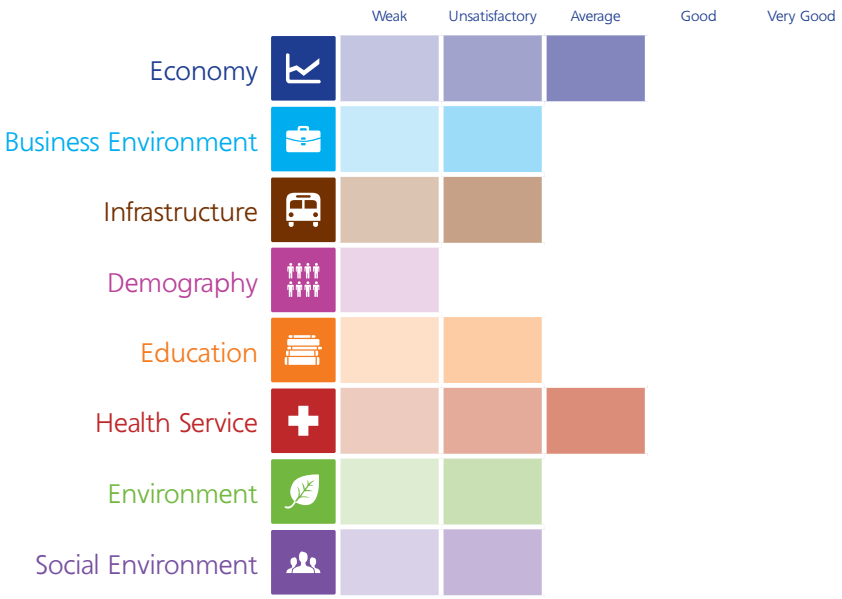


Overview

Lovech is situated in North-Western Bulgaria and includes 143 populated areas in eight municipalities: Apriltsi, Letnitsa, Lovech, Lukovit, Teteven, Troyan, Ugarchin, and Yablanitsa.

The district received low or unsatisfactory grades in almost all categories except the economy and healthcare. Incomes are low, so is employment, while foreign investment increased slightly, but not enough to radically change the district's score. One of the reasons behind the relatively poor performance is the low rating given to local administration, that according to businesses and citizens does not adequately cope with its functions. The average tax rate for real estate taxes and annual license tax for retail are among the highest in the country. A positive feature in local government for this district is municipalities' ability to benefit from funds under the EU Operational Programmes.

The district occupies the penultimate position with very poor demography among all districts. The main weaknesses in the social environment are the result of the low standard of living.



Economy

The economic performance of the district as a whole is below the national average. GDP per capita in 2009 was BGN 5,784, that is quite similar to the levels of neighbouring Veliko Tarnovo and places the district in the twelfth position in the country. The highest GDP per capita in the district was reported in 2004, but since then the gap with the national average has been increasing, reaching its peak in 2009.

Foreign direct investment per resident of the district has steadily been increasing over the past ten years, but fail to keep pace with the national average; eleven districts scored higher on this indicator in 2010.

The increase in household incomes ceased in 2008 and the district is one of the ten reporting a decline. The level of BGN 2,825 per household member in 2011 places the district in the fourth position on the list of lowest values.

Employment in the district is also traditionally low: the highest employment there was reported in 2007 (47.9%), but in 2011 it dropped again, reaching the unflattering 40.5 per cent.

The district scores second according the local municipalities' capacity to use funds under Operational Programmes: at the end of 2011, such funding reached EUR 266 per resident, against the national average of EUR 105.

The local population reported a perception of slight recovery in the economic activity, but at a very slow pace.

Business Environment

A major problem facing the business environment in the district remains the relatively high level of local taxes and charges. Despite the significant differences in the tax policy of separate municipalities, the average rates for real estate taxes and annual license tax for retail are among the highest in the country.

The local businesses' perception of the level of corruption is close to the national average. Markedly low confidence in major national and local institutions, however, was only reported by 10 to 20 per cent of businesses, and only 9% of business representatives considered that corruption in the municipality is high. Informal payments are also rare. Well below the national average, however, is the level of confidence in the judiciary, with over 50% of respondents who were parties to litigation in the last twelve months calling into question its impartiality and integrity. Lower levels of confidence in the judiciary were only reported in Shumen, Varna, and Montana.

The low level of e-services provided by local authorities continues to be a problem. Only 13% of local businesses surveyed had used such services in the twelve months prior to the survey, and the majority had used only basic services such as downloading forms. The quality of services received one of the lowest scores in the country, at this stage the capability for two-way interaction between the administration and businesses is only possible in Lovech Municipality. The municipalities of Teteven, Lovech and Apriltsi are the most prepared to provide one-stop-shop services, but overall the level of administrative services remains low.

Infrastructure

The road network density in the district was slightly above the national average in 2011. The Hemus highway crosses the district's territory, but most roads are Class 3 (74%), followed by Class 1 (14%) and Class 2 (10%). Two major thoroughfares pass through the district: the Botevgrad-Byala road and the Sofia - Sevlievo - V. Tarnovo - Shumen road.

In contrast, the density of railway lines is not impressive: 108 km. of railway lines, of which 8% are electrified, and 8% are double. The reason is that the district has two minor railway sections (Troyan - Levski and Zlatna Panega - Cherven Bryag) with only local significance.

There is a gas pipeline to the town of Lovech and a gas supply network in the town itself. The gas distribution network is approximately 26,000 linear metres. The main industrial and public buildings in the town are gasified. Home gasification will start shortly. The gasification of the town of Troyan is also to begin.

Losses in the transport of water in the public water supply and irrigation systems in Lovech District are about two times lower than the national average and are decreasing, reaching 57% of source water in 2010.

Internet use is not yet a regular practice by people of working age, and the proportion of households with Internet access has a lower value compared to other regions. The main reason is probably the age structure of the population.

Demography

The district occupies the bottom position according to its demography compared to all other districts. The reasons are complex. On the one hand, the rate of population growth has maintained constant negative values of over 8 ‰ per year, i.e. the number of new-born children is smaller than that of the diseased. The permanent outbound population movement contributes to worsening the demographic situation: the district area fails to

retain and attract enough new people to compensate for those leaving. The peak of outbound migration was in 2010, when the rate of net migration reached a negative value of over 9 ‰. The main destinations of those leaving the district are the capital city and Pleven District.
This is reflected in the age dependency ratio in the district that is among the highest, i.e. a larger number of people over working age depend on those of working age.

Education

The number of schools in the district diminished by almost 30% over the last ten years. This process is related to the decrease of the population in Lovech District and was followed by a reduction in the number of teachers and students.
Indicators of accessibility to the public school system are near the country average. It is therefore important to assess the inclusiveness of the school system. Lovech achieved an average rate of enrolment of children in school for Grades 1 through 4 and Grades 5 through 8. The net enrolment rate of the population in Grades 9 through 12 falls below the average for other districts, although in recent years there has been a slight improvement.
School drop-outs in 2011 were 3.44 per cent of all students, that is almost twice as high as the national average.
In terms of the quality of education, students in Lovech perform a little better than the country average at matriculation exams in Bulgarian language and literature, both in terms of average grades and in terms „fail" grades.
The citizens' rating of the quality of public education in the district is above average.

Healthcare

There were seven hospitals in the district in 2010, that ensures the country-average availability of hospitals per 100 thousand inhabitants. The shrinking population is one of the reasons why the district has normal levels of GPs availability despite the decrease of their number since 2009.
A negative trend is observed in the specific indicator of the number of people with tuberculosis, that has been on the increase since 2008 in contrast to the general trend of reduction in the country. In 2010, the incidence of tuberculosis per capita in Lovech district ranked among the highest together with Kyustendil and Plovdiv districts. The district reported an inadequate availability of cardiologists: there is one of these specialists to every 13,596, at a national average of 7,068 people.
There are 86 persons with valid health insurance per 100 inhabitants in the district, that is close to the country average level of 87.
The population in the area provided some of the highest ratings in the country to quality of care in hospitals.

Social Environment

The main problems related to the social environment are the result of the low standard of living. In 2009, the number of people living in households with low intensity of the economic activity exceeded 20%, that is almost three times higher than the national average. In the same year, one in four residents of the district lived under the relative poverty line, and 65% of the population fell into the group of people living in material deprivation.
Despite the low standard of living and low incomes, the level of the local population's life satisfaction is among the highest in the country, with only 8.5% of respondents stating their intentions to leave the district if given such an opportunity. Also highly rated are the environment, housing, social life and security in the district.
Crime, measured as the number of registered crimes in relation to the local population, is about 16 per cent lower than the national average. Lovech is one of the districts with the largest useful area of housing per person.
Institutions such as the police and judiciary enjoy a relatively good reputation. The main points of dissatisfaction for citizens are the work of municipal and district administrations. Nearly half of the people who used health services during the previous twelve months had to leave the district to receive the needed health services.

Environment

The level of harmful emissions into the atmosphere per square kilometre of the territory has been in constant decline, mostly due to the closure of some businesses and the reduced workload of others. However Lovech ranks eleventh among all districts and has significant potential for improvement.
In 2010, the district had two existing waste water treatment plants, serving approximately 40% of the population. Given this extremely insufficient coverage, in 2012 began the construction of such a plant in Yablanitsa.
The district has a sewerage network in the towns of Lovech, Troyan, Letnitsa and Ugarchin. In 2010, 100% of the population lived in places with organised garbage collection; seven waste depots have been built in the district.

In the same year, only about 45% of the population lived in populated areas with public sewerage systems, that is the second lowest level after the district of Kardzhali, and the use of septic tanks and absorption wells results in polluted groundwater. While in the Kardzhali district almost 60% of the population lives in villages, where a sewerage system is more difficult and expensive to build, then in Lovech the rural population is only 38% (similar to the distribution in the districts of Pazardzhik, Sofia District, Shumen, Vidin) and the facts show that local administrations are unable to organize its construction.
Despite the district's poor performance in the Environment category, the population gave high ratings to living conditions and environmental quality.

Montana

GDP per capita, current prices, BGN (2009)	5006
Population (2011)	147133
Employment rate of the population over 15 years (2011)	38,1
Area (sq. km.)	3635,6

Overview

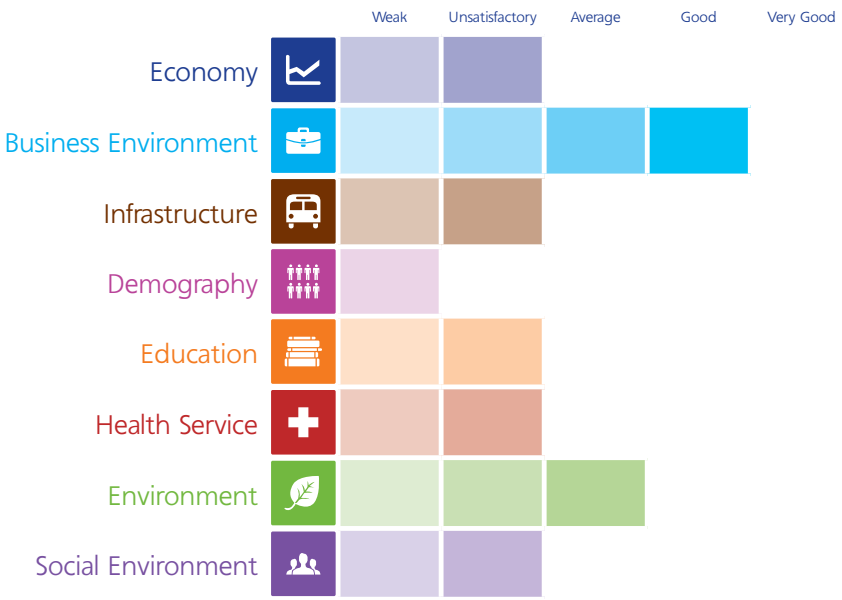
Montana District occupies the central part of North-Western Bulgaria and includes 151 populated areas in 11 municipalities: Berkovitsa, Boychinovtsi, Brusartsi, Valchedram, Varshets, Georgi Damyanovo, Lom, Medkovets, Montana, Chiprovtsi, and Yakimovo.

The district gets extremely poor marks in most categories covered by the survey. Low investment, income levels, employment, and the administration's failure to take advantage of EU funding opportunities results in extremely limited opportunities for local people to improve their quality of life.

The combination of outward migration, high mortality rates and fewer births leads to deterioration of the overall demographic picture.

The best rating given to the district is „average" and it refers to the quality of the environment and the business environment. And while environmental quality has been preserved mostly due to the lack of economic activity, lower-than-average local taxes and charges play a role in the business environment rating.

The population of the area has the highest propensity to relocate, i.e. migration intentions are widespread and driven by a lack of development perspectives.



Economy

In 2009, the gross domestic product per capita in Montana District was at a level of 55% of the national average. The district failed to take advantage of the economic boom before the crisis to make up for its lagging position. The foreign investment attracted is extremely low and only Kyustendil and Silistra Districts reported less investment per capita.

Logically, in this environment the employment of people over 15 years in the district is also lower than the national average, despite the slight improvement in 2007. Income per household member has been rising at a moderate pace in the last ten years, but failed to catch up with the national average, and in 2011 it was BGN 2,961 per person in the district as opposed to BGN 3,782 average for the country.

Municipalities in the district did not fare very well with EU projects, either. At the end of 2011, EUR 92 per person were paid on average, with an average for the country of EUR 104 and EUR 309 in the best performing Gabrovo district.

Business Environment

The district is characterized by lower-than-average local taxes and charges. Municipalities in Montana District have not been active in changing the tax rates on real estate, vehicles and license tax for businesses. Since 2008, changes have been minimal, and in the downward direction. Local charges are used more actively by municipalities in the district; for instance Chiprovtsi Municipality introduced the largest cut on the garbage collection charge for businesses while Vulchedrum Municipality had the largest increase in the charge for market stalls for retail in manufactured goods. Valchedram is also the municipality that applies consistently higher rates for local taxes and charges covered by the survey compared to the other municipalities in the district.

The business environment rating for Montana is slightly above the national average, but the district is also ranked fourth according to the number of illegal payments after Kyustendil, Sofia (capital city) and Pernik. The judiciary is rates as the second worst after that in Pernik District.

Although over half of the businesses reported having made informal payments relatively infrequently, such payments were mainly related to public procurement and obtaining favourable judgments. The judiciary in the district is considered slow and prone to bribery, and its performance as riddled with bias and incompetence.

The operation of local administrations receives relatively higher ratings, with less than 5% of respondents reporting serious problems. In working with the administration, businesses benefit from clear requirements and helpful staff with appropriate qualifications and skills. The quality of electronic services is valued above average. Businesses rely on them for basic information from the websites of local administrations and to download the forms for their services.

Infrastructure

There no highway on the territory of Montana District, but two European transport corridors - Corridor No. 4 (road E 79) Vidin-Montana- Vratsa-Sofia-Kulata (Republican Road 1-1) and Corridor No. 7 (the Danube) pass through it. The shortest route from Vidin to Sofia also passes through the District: over the Petrohan Pass, also servicing the port of Lom and providing it with a connection to the Greek port of Thessaloniki.

The density of the road network is the fourth lowest among all districts (after the districts of Blagoevgrad, Burgas, and Sliven) and has not changed dramatically over the past eight years. Around 65% of the road network consists of Class 3 roads, about 27 per cent is Class 2 roads, and 8% is Class 1 roads.

The district has a relatively small length of the roads: in 2011 it reached 605 km. and registered virtually no change over the past decade. The district has good railway connections with the rest of the country in 2011 the total length of railway was 115 km., all of which are electrified. However, the district is below the national average according to railway density.

Montana District reports relatively low levels of losses in the transport of water for public water supply and irrigation. In 2010, they reached 10.12 million cubic metres year, with a downward trend in place since 2006.

The percentage of households with Internet access is still quite low: 2011 it was 29%, although it doubled in the last five years. The indicators on the number of people using the Internet are also low; it registered some increase, reaching almost 42% in 2011, but still lags behind the national average of 51.1%.

Demography

At the end of 2011, the population of Montana District numbered 147,133 people. In the period 2001-2011, the district registered the second highest population decline (after Vidin) by over 22%. The main reasons are the large negative population growth that during these ten years has consistently been above 10 ‰ per year, alongside the permanent negative net migration of more than 5 ‰ per year. The combination of outward

migration, high mortality rates and fewer births leads to deterioration of the overall demographic picture. Both age dependency ratios showing population aging are far higher than the national average.

Education

In 2011, there were 70 schools in the district, but the education reform in recent years, the lack of financial resources at municipal level and worsening demography lead to the closure of 28 schools since 2001. The last decade has seen a reduction in the number of students in primary and secondary education as a proportion of the population that was not however adequately followed by the number of teachers per student. This is why the availability of teachers in primary and secondary education in Montana District is relatively good. The favourable ratio, however, did not lead to better performance at matriculation exams: except in 2011, students in Montana District have been among the seven districts with the lowest matriculation scores in Bulgarian language and literature in the last five years.

The district is characterized by a relatively low net enrolment rate of students in Grades 1 through 4. There are various reasons behind this, but the ethnic structure of the population plays some part. This is why the proportion of school drop-outs remains significantly above the national average.

There is no university in the district that, together with the constant process of outward migration, results in a smaller proportion of people with tertiary education.

Healthcare

In the district, the number of hospitals (5) has remained unchanged in recent years, despite the declining population, results in low levels of hospital availability. In 2010, there were three hospitals per 100 thousand people, while the national average is four.

However, the availability of GPs per resident is at a level a little above average. This contrasts strongly with the availability of specialists in Cardiology and Internal (general) Medicine, that has been low for years.

The district has been able to maintain the country-average incidence of tuberculosis, with a slight improvement over the period 2008 - 2010.

The ethnic structure (13% Roma population against the national average of 5% in 2011) and the deteriorating situation on the labour market in the district is the reason behind the lower-than-average levels of health insurance in the general population.

Environment

The level of harmful emissions into the atmosphere for Montana District is the second lowest in the country after Smolyan, mainly because the region has a lower economic activity. Only about half of the population in the district lives in villages with access to public sewerage, that is the result of a systematic lack of funds for its completion, the topography of the district and the predominance of smaller populated areas where a sewerage system is more expensive to build. In recent years there were approved projects under the operational programmes for the reconstruction, construction and completion of sewerage systems in the district, but the process is not developing fast enough to push the district up from the bottom of national rankings.

The design capacity of the existing wastewater treatment plants is extremely limited. The previously only wastewater treatment plant in Varshets that was built more than 35 years ago, was joined in 2009 by a new wastewater treatment plant in the town of Montana. The construction of a second plant in Varshets started in 2012, that is expected to further increase the capacity of the district as a whole. However, this is insufficient to significantly affect the data for the entire district, as the plants are concentrated in only two populated areas. In 2012 a project for the construction of a waste water treatment plant started in Lom, while the Berkovitsa Municipality is in the process of getting approval for European funding to erect a similar plant. In 2011, Montana Municipality began a EU-funded reconstruction of the water supply and sewerage system, the construction of a new sewerage system and the completion of the third stage of the treatment plant.

The varied topography of the region (mountains and plains), the climatic conditions, available water resources and hydrogeological picture are the main factors leading to the construction of almost all types of plumbing installations for the extraction and transportation of potable water.

Social Environment

Montana reaches the national average results on most of the indicators within the of Social Environment category. However, the district's lagging behind in many other categories reflects on the opinion of local citizens. The evaluation given by local people to the way institutions perform is below the national average, with about 70%dissatisfied with the judiciary and 55% believing the judiciary is susceptible to corruption. Two

out of three residents of the districts rated their standard of living as low, while nearly half of respondents were satisfied with their jobs. Infrastructure in the district also received low scores.

From 2007 to 2009 there was a downward trend in the proportion of the population living in poverty, but an increasing percentage of people living in material deprivation. However, in 2009 nearly one in four residents of the district were living below the relative poverty line. In the same year, the percentage of people living in households with low intensity of economic activity remained high, too: 12.2% against the national average of 7.3%.

The majority of residents did not feel particularly safe outside their homes, although relative to the population, the number of reported crimes in the district is at a level below the national average. Around 43% of respondents said they were willing to leave the district if they had the chance.

Pazardzhik

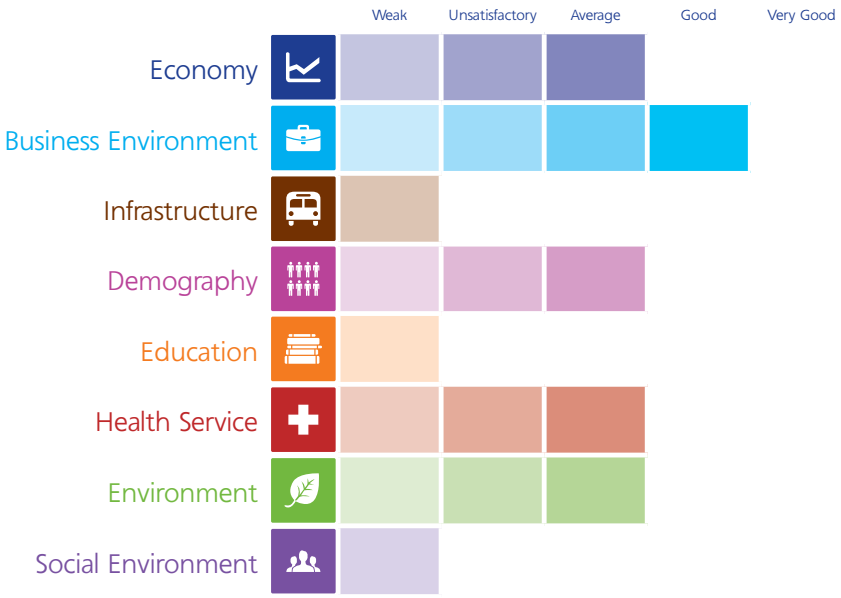
GDP per capita, current prices, BGN (2009)	5390
Population (2011)	274801
Employment rate of the population over 15 years (2011)	44,2
Area (sq. km.)	4456,9

Overview

Pazardzhik is situated in the central part of Southern Bulgaria. It comprises 11 municipalities, covering 117 towns and villages. The larger municipalities include Pazardzhik, Velingrad, Septemvri, and Panagyurishte. The district has done relatively well in terms of business environment, demography and environment, while its main weaknesses are in education and infrastructure.

Pazardzhik stands out with low local taxes compared to other districts, and the highly appreciated work of local administration. The demographic picture is relatively favourable, although population growth remains negative as in most parts of the country.

The district has serious problems with the transport losses of water which are the highest in the country. There has been some improvement in recent years, but it is much slower than in other districts. Access to primary and secondary education is relatively high, but the quality of education is low. The district has one of the highest proportions of repeaters and school drop-outs.



Economy

GDP per capita in 2009 was more than 30% below the national average. The population's income level is also low. Income per household member is about 20% below the national average.

While unemployment in the district is almost 50% above the national average, employment is slightly below average, or almost half of the active population is employed. Following a slight improvement over the past few years, both indicators again deteriorated and in 2011 returned to their 2005 levels.

The number of companies relative to the population in the district is below the national average. It should be borne in mind that the district is home to some large companies like the wineries in Peshtera, Septemvri, Ognyanovo and Pazardzhik. Foreign investment in non-financial enterprises and the expenditures for acquisition of fixed assets are also well below average.

Business Environment

The quality of the business environment in the district is estimated slightly above average. This is largely due to lower rates of tax on property and vehicles, and license tax. The performance of the local administration is also positively appreciates and is among the top positions in the country after the districts of Burgas, Targovishte, Smolyan, and Sliven. Businesses are mostly pleased with the speed of service, the friendliness of staff, and the clear requirements.

At the same time the greatest burden on the private sector are the charge for use of market stalls and the garbage charge, which are among the highest in the country. Corruption in the district is near the top of the chart, while informal payments are only slightly above the national average.

Infrastructure

Infrastructure in the district is rated as the worst in the country. The density of road infrastructure is among the lowest compared to other districts, with the only districts where infrastructure is has lower density are Sliven, Blagoevgrad, and Burgas. It should be noted that the poor road density is in place despite the highway that runs through the district. In the period 2002-2010 the length of roads remains unchanged, meaning that no new roads were built but only old ones were repaired.

The water and sewerage network in the district reports the most losses per capita: more than 3.5 times the national average. However, water losses were far greater in 2006-2007, then they gradually decreased. Improving the infrastructure and reducing losses however is progressing at a slower pace than in other districts.

Internet access is another field in the district is falling behind. The number of households connected to the World Wide Web is more than 20% smaller than the national average. Only in the period 2006-2011, the share of households using the Internet increased nearly nine times, but the lag on this indicator shows that growth in other districts was even greater.

Demography

Demography in the area appears to be a little better than the national average. The district is one of the most densely populated areas after Blagoevgrad, Plovdiv, Sliven, and Sofia. It was even more densely populated in 2000, but since then the population has been declining, following a pattern characteristic of all districts except Varna and Sofia (capital city).

Population growth in the area is negative value, but smaller in absolute terms than that of the country. In 2010 it was -3.4‰. The reproduction indicators for local population registered a slight improvement in 2004, but this was short-lived and in 2011, levels returned back to their 2003 values: the highest negative values for the last twelve years.

At the same time, net migration in 2010 (also negative) was nearly two times the national average resulting in a fast decreasing population. Unlike the rate of natural increase, there has been no clear trend over the years pertaining to net migration, although it has remained negative over the entire period. Therefore, it is difficult to give an unambiguous assessment of the fact that in 2011 it registered one of the lowest levels in the last twelve years.

Education

The absence of colleges and universities in the district post 2005 determines its relatively poor performance in this field. There were 2,333 people per school in 2010, that is above the country average. At the same time repeaters accounted for 1.2% of all students, whatever is the highest level after the districts of Stara Zagora, Sofia, Plovdiv, and Dobrich. A similar situation is in place for school drop-outs.

The average grade score from the matriculation exam in Bulgarian language and literature in 2010 was slightly

below the national average, and over the next two years students finishing their secondary education performed worse than average. Out of all matriculation score grades in 2010, 6.5% were the lowest possible (Poor 2), that is about 35% above the national average. The situation with respect to the lowest „pass" grade is very similar, with Pazardzhik retaining these higher levels in 2011-2012. These figures lead to the conclusion the relatively high level of access to education measured as schools per capita, obviously does not translate into high quality education. On the background of declining population in the period 2001-2011, it would be expected that the process would reflect on the number of students, teachers, and schools. The worsening demographic situation partly explains the high number of schools per capita: some schools were closed, but at a slower pace than the shrinking residents in the district. .

Healthcare

The district ranks slightly above average according to the number of hospitals and general practitioners per capita. There are about four hospitals for every 100 thousand people, whole one general practitioner served about 1,600 people in 2010. The number of patients who sought hospital care is also above the country average: 300 per 1,000 people, that is the highest level after Sofia and Plovdiv.

There are certain disparities in terms of the availability of specialist doctors. For example, the number of physicians in general medicine per capita is one of the lowest in the country after Varna, Sofia, and Pernik. At the same time the number of cardiologists per capita remains relatively high. Satisfaction with health services appears to be relatively good, as only 15 out of 100 people had to travel outside the district to receive treatment, and one in ten responded they had been forced to make informal payments for health services. This means that the district can attract patients from other places with the good level of medical services it provides. At the same time, the number of persons with valid health insurance in Pazardzhik ranks last in the country, sharing the bottom position with Veliko Tarnovo: only 81% of the population.

Environment

Emissions of harmful substances into the atmosphere in the district are low compared to other areas in the country: a little over 10% of the national average. It is difficult to identify any stable dynamics over the years, but the slowdown in economic activity may have had an impact, as the volume of emissions in 2010 was the second lowest in the period 2001-2010. Such dependence is observed also in household waste, that in 2010 also decreased to some of their lowest levels. However, their level remains nearly 2/3 above the national average.

Until 2010, there was no development in terms of the capacity of water treatment plants, which remained at a level of 52 thousand cubic meters per day in the period 2008-2010. Steps towards improving this situation were only started over the past two years. In 2012, potable water treatment installations were under construction in Panagyurishte, Velingrad, Pazardzhik, while wastewater treatment plants were being built in Panagyurishte and Peshtera. The population in areas with public sewerage in 2010 remained below the national average: about 70%. There is some improvement in this respect as compared to 2000, when the share was 15 percentage points lower.

Social Environment

Life satisfaction in the district is characterized by one of the highest rates in the country, after Blagoevgrad, Kardzhali and Lovech. People appear to be most satisfied with housing, environment and security, and are most critical of their quality of life and jobs. In 2009, only 6 per cent lived in households with low intensity of economic activity, that is also one of the best rates in the country. Crime is also characterized at low levels compared to other districts. The crime rate has been consistently shrinking in the period 2000-2009, and in 2009 reached its lowest value.

At the same time, more than half of the district's population lives in material deprivation. About 23% of the population falls below the poverty line, that is 10% more than the national average (20.7%). Local people ranked the quality of institutions as „average". People are most satisfied with the work of hospitals, schools and local government structures. Some serious issues are reported in the judiciary, local and district administrations.

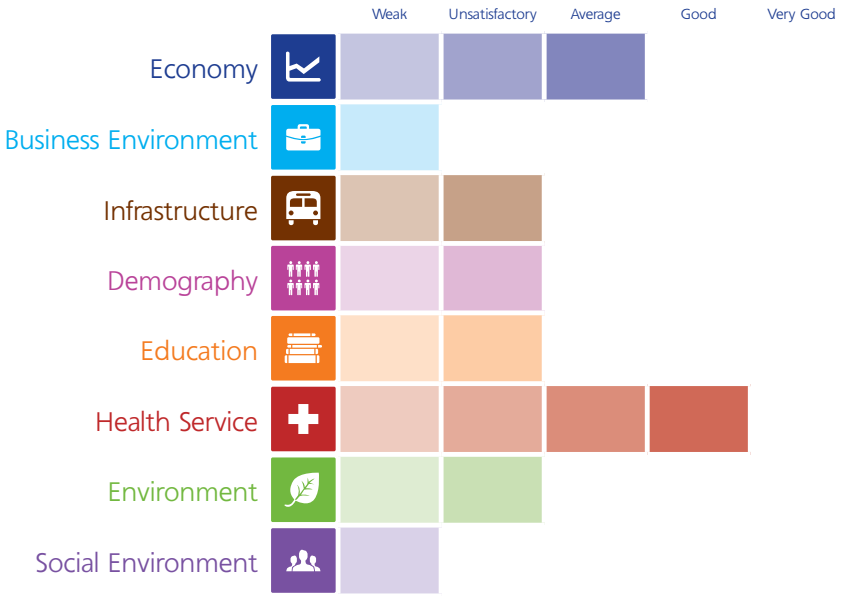
Pernik

GDP per capita, current prices, BGN (2009)	5316
Population (2011)	132833
Employment rate of the population over 15 years (2011)	46,0
Area (sq. km.)	2394,2

Overview

Pernik District is situated in South-Western Bulgaria and covers 170 populated areas in six municipalities: Breznik, Zemen, Kovachevtsi, Pernik, Radomir, and Tran. The district is characterized by a low potential for developing agriculture, that is why it is very limited. The level of employment is low, and the district appears to be unattractive for foreign investment. Proximity to the capital city seems to have diverse effects. On the one hand, it means easy access to a range of services in the capital, estimated by the population as important (healthcare, education), but on the other hand it hinders the development of similar services in the district itself, causing a problem for people who find travelling difficult. However, people in the district have access to the capital city labour market and, with the now improved infrastructure to the capital, such access is even easier.

In healthcare, Pernik gets an average result, that compared to the other categories, is considered one of the district's strong points. Performance in all other categories was rated unsatisfactory or poor.



Economy

The gross domestic product per capita in Pernik District reached 60% of the national average in 2009. The dominant economic sectors in the district are manufacturing, food processing and light industries, mining, and services. The mining industry mostly consists in the extraction of coal and construction materials. The farming area comprises 49% of the total territory, and arable land accounts for only 27%, that defines the area as very industrial rather than agricultural.

The employment rate of the population over 15 has traditionally been below the national average, but the combination of the district's „catching up" and slower employment growth in the country as a whole resulted in Pernik District for the first time slightly exceeding in 2011 the average employment rate in Bulgaria, reaching 46%.

This happened on the background of historically low levels of foreign direct investment per capita, with a very pronounced but one-off rise in 2008, and in the years since, the process of accumulation of FDI has been slow. Local municipalities ranked fourth according to EU funds from operational programmes per person, reaching € 245 against a country average of € 104.

Business Environment

Pernik is one of the areas with the least favourable business environment in the country, sharing this „top position" with Sofia and Kyustendil. The only indicators performing better than the national average are the businesses' opinion of the quality of e-services and the low tax rates for the annual retail license tax. Charges for market stalls and waste collection ale about the national average. One in three business representatives has benefited from the electronic services provided, with nearly 80% of users giving high marks for their quality. In municipalities that provided data about their preparedness to start one-stop-shop service, the process of integrating administrative services is only just beginning.

Over 80% of businesses rated local consumption as being low, and the infrastructure as underdeveloped. Confidence in regional and municipal administrations is the lowest in the country, with over three quarters of respondents saying that companies in the district were often compelled to make informal payments to obtain better services, obtain the necessary permits, or be awarded public procurement contracts. The judiciary also gets extremely low scores, but given the small proportion of respondents who were involved in litigation, the figures remain provisional.

Infrastructure

The district's area occupies the mountainous parts of south-western Bulgaria, the relief is varied but mostly hilly. The geographical location of the district provides good conditions for developing the infrastructure. The road network density is the second highest after Gabrovo. Two major roads of European and Balkan significance pass through the territory of the district: the route Vidin - Sofia - Kulata, and the route Gyueshevo - Sofia - Burgas. More than 70% of the roads are Class 3, 12% are Class 2, 14% are Class 1, and 2% are a highway (Lyulin Highway). Railway lines passing through the district are part of the international line Sofia - Kulata and Sofia - Gyueshevo, so the density of railway lines is also above the national average. Over 70% of the railway lines are electrified.

Losses in the transport of water in the public water supply and irrigation systems in the district are among the lowest in the country (52.4%) and decreasing.

Despite the increase in the proportion of households with Internet access and people of working age who use the Internet, the district still reports levels below the country average.

Demography

In 2011, the district had a population of 132,833; it registered a decrease by almost 11% over the last decade. The rate of natural increase of the population has been consistently negative at about 9 ‰ per year, that has a strong negative impact on the district's demographic profile. The trends are similar for net migration: following a positive trend between 2005 and 2007, it reversed back to negative and at present the number of people leaving the district is larger than that of newcomers. All this leads to worsening of the age structure and a critical increase in both age dependency ratios. Pernik is among the five districts with the worst age dependency indicators in recent years. The working age population in 2011 was 60%, that is lower than the national average, while children comprise about 12% of the population, again among the lowest values.

The district ranks fifth in urbanisation: more than 79% of the population in 2011 lived in cities and bigger towns.

Education

In 2011, the number of schools in the district reached 45; 12 schools were closed over the last ten years. The number of teachers and students during this period decreased at similar rates, that means that school availability in the district is very close to the national average. In 2011, there was one school per every 2,952 people of the population. Although access to primary and secondary education is quite good, the district reported a declining rate of enrolment of school-age children. Over the period 2007-2011, the enrolment rate of the population in elementary school (Grades 1 - 4) decreased, reaching levels lower than the national average, while the enrolment rate in secondary schools also dropped. Only a slight increase was observed in the enrolment of children in the secondary stage (Grades 9 - 12); in 2011 it was 84.8%, even exceeding the country average.

The schools' ability to retain their students is assessed by the percentage of students who repeat the year: in Pernik District, this indicator was low in 2011, with only 0.6 per cent of repeaters. The indicator is far below the national average of 0.9%. The percentage of school drop-outs in the district is also low and has decreased over the years: from 3.14% in 2006 it reached 1.54% in 2011. that is one-third better than the national average.

In terms of the quality of education, there has been a decreasing tendency in the number of children who got the lowest „pass" score at the matriculation exam in Bulgarian language and literature; in 2011 approximately 4.5% of children fell into this group at 5.5% for the country. The average scores from the exam in Bulgarian language and literature for students in the district is following the national trend, but are slightly lower.

Healthcare

Since 2007, the number of hospitals in the district decreased by almost half, reaching four in 2011. Therefore hospital availability for the local population is below the national average. The availability of GPs was also reduced in 2011, and is now close to the country average: one general practitioner has a patient list of 1,557 people. A major shortage is observed in specialist cardiologists; in 2011, the district reported one of the highest numbers of people per cardiologist: over 45 thousand people per specialist, at average rates of 7 thousand per specialist in the country.

Since 2009, the number of people who sought hospital treatment has been on the decrease. Pernik is among the districts which for years have reported low levels for this indicator. One reason is the district's proximity to the capital city and the local population's preference to seek medical treatment in Sofia. Pernik District registered the largest deficit of cardiologists: one cardiologist is in charge of more than 45 thousand people, against a national average of about 7 thousand people. In the district, 89 out of every 100 people have valid health insurance.

A positive development was observed in the number of people infected with TB: it decreased more than 20% over the period 2008-2010, reaching the fifth lowest level in the country.

Local people's rating given to the way hospitals operate and the quality of healthcare is among the lowest in the country. Corruption perceptions in healthcare run quite high.

Environment

The district received some very good grades in this category. The almost double reduction of harmful substances emitted into the atmosphere since 2002 is mainly due to the closure of key pollutants (large industrial installations), but also to the renovations and stricter controls over operating companies. The district has similar levels of air pollution per sq.km. as the districts of Vidin and Haskovo.

In 2010, the district had four operating waste water treatment plants, serving approximately 72% of the population. It logically follows that the design capacity of existing wastewater treatment plants per capita is almost twice as high as the national average. Two new plants are being built: in Kovachevtsi and Tran, as well as a potable water treatment plant in Radomir.

In 2010, 99% of the population lived in places with organised garbage collection; six waste depots have been built in the district. Pernik District registered the highest levels of household waste collected per population served: 1,344 kg. against an average of 403.7 kg for the country.

Social Environment

The district receives the third lowest score in this category. Local people gave one of the lowest scores to the work of institutions (municipal, district administrations, regional government structures, courts and hospitals). Only about 5 to 6% of local residents are happy with their standard of living, education and jobs, and not a single respondent said that he/she was very satisfied with these. Despite the district's good performance in

healthcare, over 90% of respondents believe hospitals are prone to corruption, and nearly half of those who used healthcare services in the previous year were forced to make informal payments to receive the services needed.

In 2007-2009, nearly 10% of local residents were living in households with low intensity of economic activity, and in 2009 more than half of the district's inhabitants fell into the group of people living in material deprivation at only 28% in 2007. The share of the population living below the relative poverty line in the district remained around 17%. Pernik and Vidin are the districts with the largest area of useful floor space of dwellings in urban and rural areas in proportion to the population, that can be explained by the major decrease of the population of these two districts. Only 9% of the district's residents said they were prepared to leave it if given the opportunity, that is significantly lower than the national average and is most likely the result of the geographic proximity to the capital city.

Applied to the number of population, in 2010 the number of reported crimes in the district was about 15 per cent lower than the national average. Pernik is one of the few districts that did not report a major increase in the number of reported crimes post- 2008. However, the sense of security in the district is estimated by local residents as „low", also confirmed by the high proportion of respondents among citizens (about 53%) who evaluate police performance as „very poor" or „poor".

Pleven

GDP per capita, current prices, BGN (2009)	5142
Population (2011)	268493
Employment rate of the population over 15 years (2011)	39,6
Area (sq. km.)	4653,3

Overview

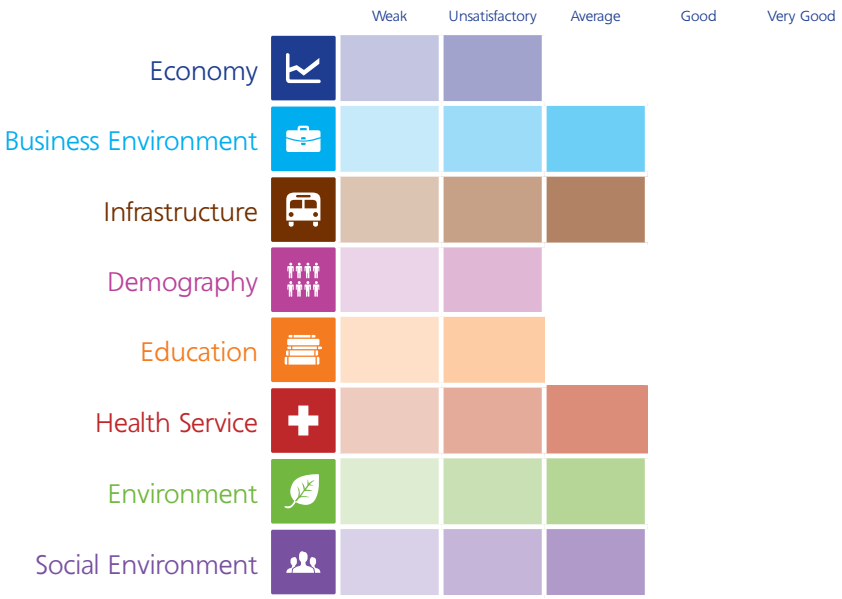
Pleven District is located in the central part of Northern Bulgaria and includes 11 municipalities with 144 populated areas: Belene, Gulyantsi, Dolna Mitropoliya, Dolni Dabnik, Iskar, Kneja, Levski, Nikopol, Pleven, Pordim and Cherven Bryag. Over two-thirds of the population lives in cities and bigger towns.

Employment of the population over 15 years is very low and only managed to exceed 40% in the period 2005-2009.

Municipalities in the district are conducting a moderate fiscal policy. The business environment in the district received favourable scores in terms of local administration, the judiciary, and the level of corruption.

Demographic developments have been extremely unfavourable: the high and ever-increasing age dependency ratio indicates worsening demography and unfavourable prospects for the labour market.

Pleven District scored fairly well in healthcare. Children's enrolment in the school system is above the national average, and the number of school drop-outs is also reduced. Most of the environmental indicators are at a good level and/or have improved over the years.



Economy

Over the period 2000-2009, Pleven District persistently reported a GDP per capita lower than the national average. This trend is even more negative because with each year, GDP per capita figures slipped further and further away from the national average, and has one of the lowest growth rates for the ten-year period.
Employment of the population over 15 years has been extremely low since 2000. It only managed to exceed 40% in the period 2005-2009, and in 2011, the district ranks fifth in the list of those with lowest employment.
The income per household member in the district is relatively high and it ranks among the top ten districts with the highest incomes: BGN 3,902 against the average of BGN 3,782 for the country in 2011.
Foreign direct investment in the area is extremely low, reaching EUR 532 per 1,000 population in 2010 and far below the national average of € 2,935. In the period 2004-2010, key enterprises in the chemical, manufacturing, food and machine-building industries closed down, with severe impact on local employment and income levels. The failed privatisation and poor management by the new owners of former large companies led to the establishment of many smaller businesses operating in the same field, but with much less efficiency and access to major international markets.
The district has high expectations for revival of the local economy associated with the Belene NPP project, hoping for new jobs, increased consumption and investment. Following the decision to terminate the project, the local population now expects that companies initially attracted to the area in anticipation of its launch would withdraw from Pleven.
The area enjoys high-quality arable land, with the arable area being 85.79% of the total area. The existence of several research institutes in the field of horticulture is another factor for development. Municipalities have not performed very well in the absorption of EU funds. At the end of 2011, about EUR 67 euros per person were paid under operational programmes, that is far behind the leading districts of Gabrovo (EUR 309) and Lovech (EUR 266).

Business Environment

Municipalities in the district have been conducting a moderate local tax policy that does not differ significantly from the common practice in other districts.
Over the years, the license tax rate remained low and unchanged in almost all municipalities. The only exception is Pleven Municipality, where in the period 2008-2011 this particular tax rate was extremely high, but in 2012 it was cut by more than 30%. An interesting example is the Nikopol Municipality, that has maintained the highest business property tax nationwide since 2008.
Two divergent trends have been observed in local taxes. Over the past ten years, three municipalities drastically reduced the garbage charge (Pleven, Iskar, and Belene), while the municipalities of Dolni Dubnik, Kneja and Dolna Mitropoliya slightly increased it, but in all municipalities the 2012 levels are below the national average. With respect to the fee for use of industrial goods' markets, it has increased in all municipalities except Pordim, where the rate has been decreasing over the last decade.
The rating given to the business environment in the district is about average. It performs well in terms of local administration, the judiciary and the level of corruption.
Over half of local businesses find no major shortcomings in the way local administrations operate, and corruption levels are described as „low".
The most common are informal payments in public procurement and the judiciary: over 30% of respondents said that the companies in the district are forced to make such payments „very often" or „relatively often".

Infrastructure

There is no highway crossing the district of Pleven. As at 2011, the structure of the road network was dominated by Class 3 roads (62%), followed by Class 2 roads (26%) and Class 1 roads (12%). The new road built to the town of Nikopol for the needs of Nikopol - Turnu Magurele ferry is still underused because it not part of a cross-border corridors and therefore the expected effects on the local economy have not yet emerged. The density of railway lines (4.4 km/100 km2) was above the national average in 2010, half of this length being electrified. The accessibility of railway transport (stations and stops) is also very good.
Losses in the transport of water in public water supply and irrigation systems in the district are consistently lower than the national average, and have seen a significant reduction over the last five years. This is mostly due to the on-going or finalised projects financed with EU funds for the completion, reconstruction and rehabilitation of water supply and sewerage systems, for instance in the municipalities of Iskar and Kneja.
Despite the significant increase in the share of households that use the Internet and of persons aged between 16 and 74 years who used the Internet in the last 12 months, the region lags far behind the country average for 2011.

Demography

Over the past ten years, the population in the district shrank by almost 60 thousand, or more than 18%, reaching 268,493 people in 2011. This is the third highest reduction from among all districts. This is mostly due to the negative natural increase rate, and to a lesser extent, the outbound migration of local resident to other districts; this latter process was particularly active between 2003 and 2005, and then again post- 2009. The high and constantly increasing age dependency ratio indicates worsening demography and unfavourable prospects for the labour market. After a relatively stable development until 2010, in 2011 a sharp deterioration was reported in the ratio of people of working age to people over 65 years old, that further reduces the opportunities for economic development of the district in the near future.

The ageing population, the impact of a number of economic factors and migration processes have adversely affected the age structure of households in terms of the number of children under 16 years of age. In 2011, 78.7% of households in the area had no children under 16 years of age. In seven of the eleven municipalities, over 80% of households have no children under the age of 16.

The migration intentions of the population are the lowest in the whole country, mainly because of the age structure. Official figures show that people from the district mostly migrate to foreign countries, the capital city, and the districts of Lovech and Vratsa.

Education

The drastic depopulation of the district resulted in the need to optimise the school infrastructure. The number of schools has decreased from 148 in 2000 to 118 in 2011, and the number of teachers in primary and secondary education decreased at almost the same rate as the decrease of the number of students.

The district recorded enrolment rates of students in all stages in primary and secondary education slightly above the national average, with a distinct improvement in the last five years. A positive development was observed in the proportion of school drop-outs: following an increase of this indicator from 2001 to 2006, the trend was reversed and in 2010 the district reached its lowest level in ten years of 2.85% school drop-outs from among all students. This trend however was not enough to show a significant positive effect on the inclusion of the largest possible number of children in the education system, and more emphasis is needed on the quality aspect of this process. Pleven District has traditionally reported a higher-than-average percentage of students who scored below the lowest „pass" grade at the matriculation exam in Bulgarian language and literature; this trend registered a peak in 2012, when 8% of local students failed the exam.

Pleven has a Medical University (UM) and a Teachers' College (a branch of the University of Veliko Tarnovo), while in the town of Dolna Mitropoliya there is an Aviation Faculty of the National Military University V. Levski. Since 2003, the number of students in the district has been growing steadily, mostly due to foreign students (in 2011, foreign students accounted for 49% of the total student population of the local Medical University).

Healthcare

Pleven District is in the same group as Sofia (city), Varna, Smolyan, and Haskovo, scoring relatively well in healthcare. In 2010, each General Practitioner in the district served a relatively small population: 1,348 people, compared with 1,583 average for the country, that indicates a relatively high accessibility to healthcare. This favourable position has been observed for the past ten years, despite the decrease of the number of GPs, as it was offset by a concomitant population decrease. The district is in the top positions according to the availability of cardiology specialists: one per 4,243 people of the population, that is comparable to the levels reported in the Varna District and Sofia (city). One of the reasons is the existing Medical University in Pleven, that naturally creates a cluster of specialists and is certainly behind the emergence in recent years of private clinics that provide quality health services and attract patients from around the country. In 2007, for example, a private general hospital opened, that is the largest hospital in north-western Bulgaria. This process leads to the highest recorded increase in the number of patients (per capita) who sought hospital treatment over the last four years.

In 2011, 89 out of every 100 people in the district had valid health insurance, that is an increase compared to 2010, i.e. the trend is positive.

Environment

Most of the environmental indicators are at a good level and/or have improved over the years. Part of the reason is the reduced economic activity and the closing down of some large industrial plants that used to be major pollutants.

The district has one operating wastewater treatment plant, that explains the low capacity for waste water

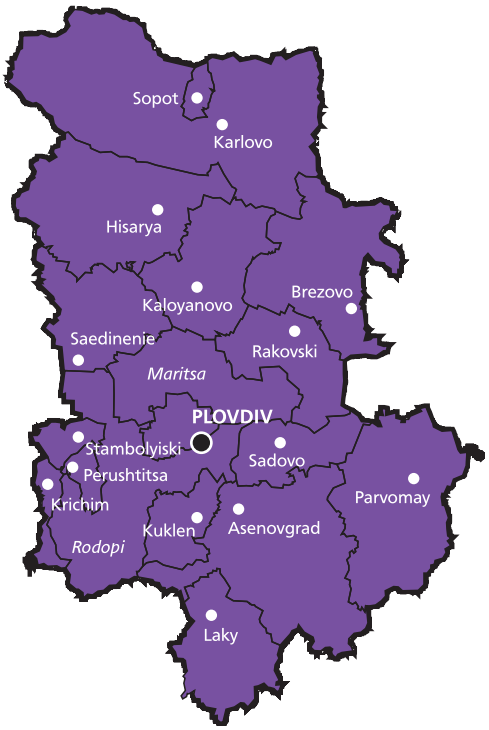
treatment. Most municipalities in the district have already completed work on the preparation of investment projects for the completion, reconstruction or rehabilitation of the water supply and sewerage system and the construction of waste water treatment plants. (Iskar, Kneja, Dolni Dabnik, Nikopol, Belene, Cherven Bryag).
Just over half the population of the district live in populated with public sanitation, that is not a flattering indicator compared to the national average of 70%. The projects currently under construction will improve performance in the near future.

Social Environment

By 2008, the proportion of people living in households with low intensity of economic activity had been in line with the average for the country, but in 2009 it reached 10.5%. The percentage of the population living in material deprivation (44.3%) and the share of the poor (21.8%) remained close to the national average levels in 2009. All three indicators registered an increase compared to 2007, in parallel with the shrinking employment rate and declining economic activity in the district.
Although only 11% of local residents are satisfied with their standard of living, a mere 7% of respondents were willing to leave the district. Locals residents rated highly the performance of institutions, with the best score given to municipal administrations, regional government bodies, and schools. Nearly three quarters of local people rated the environment and living conditions as „good".

Plovdiv

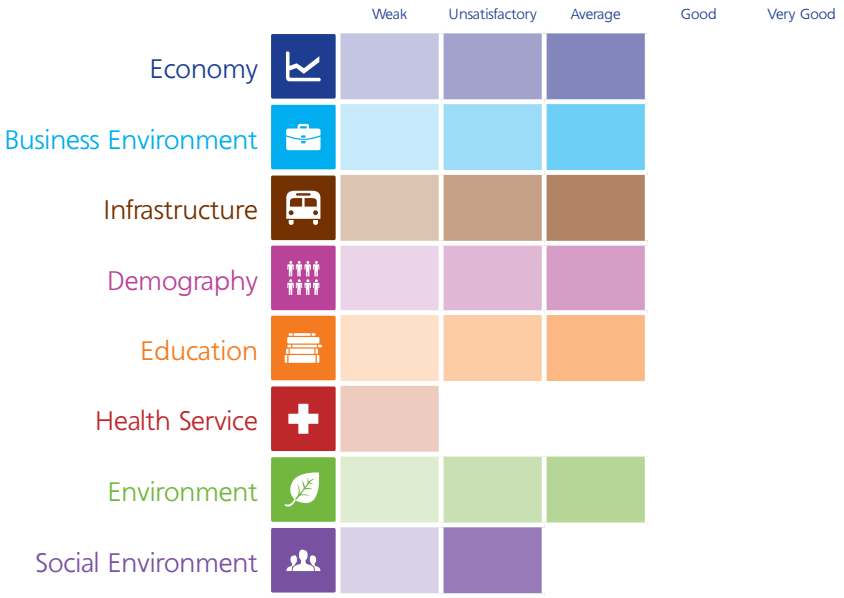
GDP per capita, current prices, BGN (2009)	7291
Population (2011)	682127
Employment rate of the population over 15 years (2011)	46,2
Area (sq. km.)	5972,9



Overview

Plovdiv District is located in the central part of South Bulgaria. It covers 214 populated areas organised in 18 municipalities. The larger municipalities include Plovdiv, Asenovgrad, Karlovo, and Maritsa. Plovdiv enjoys a relatively good economy, infrastructure, demography, and environment. Social environment, education and the business environment are estimated at around the national average, while the district is lagging behind in terms of healthcare.

Employment rates and the availability of businesses in the district are among the highest in the country. The railway system is highly developed, and the access of households to the Internet is the third highest in the country. The district is traditionally densely populated, and net migration has remained positive over the years. Poor performance in healthcare is mainly due to the high number of tuberculosis patients per capita, and the large number of patients who sought hospital treatment. The number of hospitalisations, however, is influenced by the fact that the District of Plovdiv plays the role of a medical centre attracting patients from other districts.



Economy

The rate of economic activity in the district is close to the national average. The output per capita is the seventh highest in the country and one of the few to increase in 2009, despite the crisis. GDP per capita is about 20 per cent below the national average, but in 2000-2009 it grew at the third fastest pace. At the same time, the income per household member is slightly above the national average. The growth reported there is also high: the second highest after Stara Zagora, and ahead of the latter district in terms of output per capita. In other words, the district has been increasing its production capacity, and the income per capita is increasing even faster.

Employment in the district is also among the highest in the country. Although it had been improving in the period 2000-2008, the subsequent economic crisis had a negative impact and in 2011 the number of people employed returned below its 2007 levels.

The district reports a high concentration of businesses per capita: the fourth highest in the country after Burgas, Varna and Sofia (city). The large number of enterprises is the result of diverse industries in the municipality; local economy is not built around a handful of large companies.

The accumulated foreign investment in non-financial enterprises per capita is quite high, although still significantly lower than other districts such as Varna, Burgas and Sofia (city).

Business Environment

The business environment rating is close to the national average, with local taxes being among the lowest compared to other districts. Plovdiv stands out with the third lowest tax rate on vehicles after Gabrovo and Vratsa. Property tax and license tax are also relatively low.

Corruption perceptions in the district are close to the country average, while informal payments are slightly above average. The private sector is also relatively happy with the way local administration operates; still, it attracts lower ratings than districts such as Gabrovo, Haskovo, Stara Zagora, and Sofia.

At the same time, the majority of business respondents are not satisfied with the work of the judiciary, that is considered one of the worst in the country after Pleven, Varna, Shumen, Montana, and Pernik. Over 30% of businesses believe that there are serious issues with the impartiality, competence, integrity and speed of judicial services.

Infrastructure

Infrastructure development in the district ranks slightly below the national average. The road network has not evolved in the period 2003-2010, but suffered a certain decline in 2003. No new roads were built in recent years, only old ones were repaired, and it is typical of most of the country. At the same time, the railway infrastructure is very well developed and ranks third in the country after Ruse and Sofia (city).

Another strong point in the district is households' access to the Internet, which stands as the third highest in the country: 35 per cent in 2010, after Burgas and Sofia (city). This is due to its rapid growth over the years, the fifth highest rate of development in the country. However, Internet use remains higher than households' access; in 2010, 39% of residents between 16 and 74 used the internet. Water transport losses, weighted against the number of population in the district, are among the highest in the country, after the districts of Targovishte, Stara Zagora, Veliko Tarnovo, Sliven, Yambol and Pazardzhik. However, there has been some decline since 2004, and in 2010 this indicator reached its lowest levels since 2001.

Demography

The district is the third most densely populated in the country after Sliven and Sofia (city). The high population density in Plovdiv District is characteristic of the entire period under review, although there has been a slight annual decline in population since 2001. However, it should be noted that the rate of shrinking of the population in the district of Plovdiv in the period 2000-2011 was the fourth lowest in the country after Burgas, Varna and Sofia (city), that ranks Plovdiv among the relatively attractive places to live. The rate of natural increase is negative, that is typical of all areas except Sofia (city), but still better than average. In the period 2001-2009, the rate of natural increase improved, but in 2010-2011 it registered another worsening in absolute terms.

The dynamics of net migration in the district is quite different. In the pre-crisis period 2001-2008, it registered stable positive trend, where the number of people registered as residing in the district was larger than the number of people leaving it. The reasons for this growth can be found in the many enterprises per capita in the district, the high employment rate and the large number of university students in the city of Plovdiv. This changed in 2009-2010 due to the economic crisis that led to layoffs and forced people to look for new job opportunities elsewhere in the country or abroad. An optimistic reversal of trends occurred in 2011, when net

migration returned to a positive, albeit low level of 0.24 ‰.
The population is predominantly urban, and in 2011, nearly 75 per cent of the residents in the district were living in cities or bigger towns. Urban dwellers had been on the gradual increase until 2007, and then remained almost unchanged as a proportion of the population.

Education

The district centre is the second largest university centre in the country, after Sofia (city); in 2011, nearly 45.5 thousand students were studying in Plovdiv. The number of students has remained high in recent years and is growing rapidly due to the many higher education establishments; since 2005, the district has been ahead of Varna according to the number of students. The larger state universities include the University of Food Technology, Plovdiv University Paisii Hilendarski, Agricultural University - Plovdiv, Plovdiv Academy of Music, Dance and Fine Arts, Plovdiv Medical University Technical University - Plovdiv Branch.
The number of schools per capita is one of the lowest in the country after Varna and Sofia (city). This does not seem to negatively impact the quality of education, as scores from the matriculation exam in Bulgarian language and literature are above the national average. At the same time, the number of students who failed the matriculation exam is one of the lowest in the country after the districts of Sofia (city), Stara Zagora, and Ruse.
At the same time, the percentage of repeaters in 2011 was the second highest in the country after Dobrich. School dropouts are less than 3 % of all students in 2010, that is 20% above the national average. Their relative share varies over the years and a clear trend is difficult to outline. One reason could be the large number of people in the district who describe themselves as Roma and the conclusions of several reports that Roma children drop out of the school system earlier than others.

Healthcare

Hospitals per capita in the Plovdiv district are below the national average, although their number has increased significantly in recent years. In the period 2000-2011 the number of hospitals increased by 69%, forming the third highest growth after the districts of Targovishte and Yambol. The number of physicians (general practitioners, cardiologists and general medicine specialists) is also below the national average per capita.
For every 1,000 people of the population, 390 sought hospital treatment in 2010, ranking Plovdiv to the top position under this indicator. Based on this data, however, it is difficult to conclude that the healthcare system in the district is not adequate. On the contrary, only 6% of the population in the Plovdiv district sought hospital treatment in another district in 2011, and informal payments are relatively few. In other words, the large number of patients who sought treatment in local hospitals is rather revealing the influx of people from other districts seeking medical care in Plovdiv.
The low overall rating given to healthcare in the district of Plovdiv is influenced mainly by the number of tuberculosis patients per capita, that is the second highest in the country after the Kyustendil District. The National Programme for Prevention and Control of Tuberculosis in Bulgaria (2012-2015) places special emphasis on the Roma community as one of the risk groups for this disease. According to the latest NSI census, the number of persons who identify themselves as Roma is highest in Plovdiv district – a fact that partly explains the relatively high number of tuberculosis patients there.
Around 87% of the population has valid medical insurance, that is slightly above the national average. Over the years no constant trend has been observed on the number of persons with valid health insurance, but their number declined noticeably in 2010, (from nearly 90% in 2009 to 87%) due to the lower employment rate. A slight increase was noted in 2011, but it failed to compensate for the transitional downturn.

Environment

Harmful emissions in the district are low compared to the country average, due to the large volumes of emissions in Sofia (city), Varna, and Stara Zagora. In the period 2001-2004 emissions increased, but in 2005 they decreased sharply and then remained at relatively constant levels, reaching the second lowest level in 2010. One reason behind the sharp decline in emissions is the change in the operation of TPP „Plovdiv North", that is now owned by EVN Bulgaria. The change resulted primarily in the use of natural gas whose emissions are significantly lower, and the introduction of continuous monitoring of the emissions of harmful substances into the atmosphere.
Municipal waste collected in the district is traditionally high, but increased at the fastest rate in the period 2001-2010, compared to other districts. In 2010, the quantities were 15% above the national average. Water treatment plants have a relatively high capacity but compared to the population, the district ranks around average levels.

In recent years, no new treatment capacity was installed; there was even a slight decrease after 2008. The population living in areas with public sewerage systems is above average and in 2010 exceeded 70%.

Social Environment

Life satisfaction in one of the highest in the country after Smolyan, Pazardzhik, Blagoevgrad, Kardzhali and Lovech. Nearly half the population is very satisfied with the state of security, healthcare, education, and the environment. The highest degree of dissatisfaction is caused by available jobs and the standard of living. Just under 7% of the population of the district live in households with lower intensity of the economic activity, that is close to the level in Pazardzhik and below the national average. The population living in material deprivation is slightly above the national average: 15 out of every 100 people fall below the poverty line, that is 30% below the country average.

Crimes against the person are relatively low, and nearly 60 per cent of local residents are very satisfied with the level of security. Meanwhile the performance of institutions is given one of its lowest possible levels (better only than Kyustendil and Pernik), that is 20% below average.

Razgrad

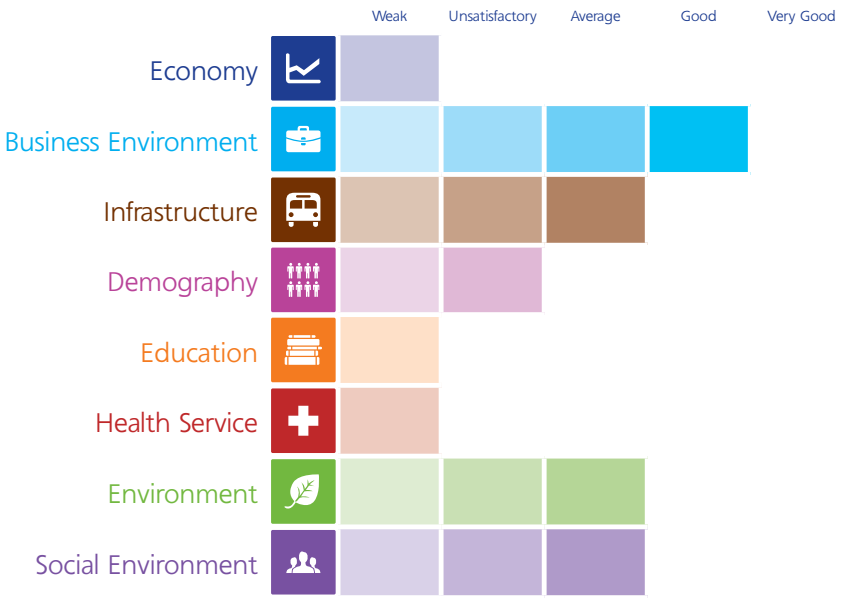
GDP per capita, current prices, BGN (2009)	4960
Population (2011)	124471
Employment rate of the population over 15 years (2011)	38,9
Area (sq. km.)	2639,7

Overview

Razgrad District is located in the North-Eastern part of Bulgaria. Besides the district centre of Razgrad, it also includes 102 populated areas in 7 municipalities: Razgrad, Isperih, Zavet, Loznitsa, Kubrat, Samuil and Tsar Kaloyan.

The low degree of urbanisation of the district and the negative demographic trends make it difficult to address many of the problems of the district in the fields of infrastructure and the environment. Local administration is trying to compensate for some of these shortcomings by creating a favourable business environment, manifested mainly in providing high quality and fast administrative services.

Education in the district does not fare very well in the country-wide ratings, the unfavourable assessment being mostly due to the low quality of secondary education. The accessibility of health services is also rated near the bottom, with nearly a third local residents forced to leave the territory to receive the necessary care. Despite the low incomes and standard of living in the district, most local residents are satisfied with the social environment and quality of life.



Economy

According to the standard of living, measured as GDP per capita, Razgrad has one of the lowest scores in the country: BGN 4,960 in current prices for 2009. In the same year, only Vidin, Silistra, and Sliven scored lower on this indicator. The average level of unemployment in 2011 was 20.6%. While this is an improvement of 2 percentage points compared to 2010, the district remains among those with the highest unemployment, with only Smolyan and Vidin ahead of it in the ranking. After two consecutive years of decline, in 2011 the employment rate of the population aged 15 to 64 years started to recover, reaching about 39 per cent, that is 8 percentage points lower than the national average.

Razgrad is one of the few districts in the country that continued to report growth of foreign direct investment in the years after the crisis. In 2010 they reached a volume of EUL 145 million. Foreign investment had a positive effect on the local labour market, that reflected in a steady increase in employment over the past ten years. However, the average income per household member remains one of the lowest in the country: BGN 2,753, with only Targovishte and Silistra reporting lower scores. This is largely due to the traditionally high unemployment in the district and the low levels of employment at the beginning of the period 2001-2011. The availability of sufficient labour is one of the reasons for incomes to grow more slowly than in other districts. With the continuing increase in employment and decrease in the proportion of free labour, increase in local people's incomes can be expected.

With the exception of the „crisis" year 2009, return on sales marked a gradual increase over the past 10 years. In 2010, it reached 9.06%, that is the third best result in the country after those in Dobrich and Pazardzhik. By 5.12.2011, municipal administrations had used BGN 19.3 million under EU operational programmes. Relative to the population of the district, this result is about 50 per cent better than the national average.

Business Environment

Razgrad is one of the districts with a relatively favourable business climate. Businesses rate the quality of administrative services as high, while they perceive corruption in local institutions and local structures of the central government as low. Also favourable is the rating given to the state of the infrastructure and the situation on the labour market that the majority of respondents perceive as having a positive impact on their business.

A quarter of local businesses surveyed said they had used online services in the past 12 months; the majority of users are satisfied with their quality. As of the summer of 2012, the municipalities of Razgrad and Kubrat were providing the widest range of electronic services. The integrated desk service is also gradually being introduced; according to the municipal administration, it is already available in the district centre (the town of Razgrad).

The majority of local taxes are at levels close to or slightly higher than the national average, and the differences in tax rates on real estate, commercial and passenger vehicles are minimal between municipalities. Over the past three years the garbage collection charge and the fee for use of industrial goods' markets have remained at levels below the national average, and in some municipalities such as Razgrad, Zavet and Kubrat, the waste collection charge was even reduced.

Infrastructure

Although slowly, the infrastructure characteristics of the district are gradually improving. For the period 2001-2011, the density of the road and railway network increased by 2.7% and 8.2% respectively, reaching values close to the national average. By 2010, the proportion of households with Internet access remained low (about 30%), but the proportion of people aged between 16 and 74 years who had used the Internet in the same year showed values close to the country average. To a large extent this can be explained by the low share of population living in cities and bigger towns. In 2011, the percentage of households with Internet access increased dramatically, reaching more than 40 per cent of all households in the district.

The water supply system in the district functions better than those in most of the country. Consequently, losses in the transport of water for public water supply and irrigation systems was nearly 40 per cent lower than the national average in 2010. Major infrastructure projects in recent years were related to projects of improving the urban environment and the communication infrastructure.

Demography

Over the period 2001-2011, the population of Razgrad has decreased by more than 14%. The share of the urban population in 2011 was only 47%, that was significantly lower than the national average of 71%. This proportion remained almost unchanged for the entire period from 2001 to 2011, making Razgrad the district with the slowest processes of urbanisation in the country. The population density to the territory of populated areas in the district is almost two times lower than the national average.

However, the age demographic picture of the district is more favourable than the average for the country. To every 4 people aged up to 14 years there is an average of 5 persons over the age of 65 years. In the active population, the ratio is 4:1 in favour of those aged 15 to 64 years compared to those aged over 65 years. Over the last 10 years, population growth continued to be negative within 5-6 ‰ per year. Net emigration figures have mirrored the strong propensity of the local population to emigrate since 2007, and in 2010 the number of people who left the district was almost than twice the number of those who moved into it.

Education

The declining number of students and teachers in primary and secondary education over the period 2001-2011 followed closely the national average. However, it should be noted that the number of students for the period decreased by 30.6% (27.7% on average for the country) and that of teachers by only 26.8% (at 27.19% national average). The result is that the ratio of the number of teachers and students in primary and secondary education shows a score greater than the national average: in the school year 2010/2011, there were 8 teachers per 100 students. This could, to a certain extent, be explained by the abovementioned low degree of urbanisation in the district, that suggests a larger number of schools in smaller populated areas.

The quality of primary and secondary education in the district is low, that is clearly expressed in the low grade scores local students achieve at matriculation exams. Over the entire period from school year 2007/2008 to school year 2011/2012, Razgrad District was unfailingly at the bottom of the ranking of matriculation exam scores. At the matriculation exam in Bulgarian language and literature held in school year 2011/2012, over 12% of school leavers achieved an average score below the lowest „pass" grade of 3.00. The average exam scores of students from Razgrad over the last three years have persistently been the lowest in the country, and in the school year 2011/2012, the average grade score dropped to the unflattering 3.82 („good").

The percentage of school drop-outs in the period 2001-2011 also remained one of the highest in the country, although it registered a gradual decline in the years after 2007. One of the few favourable trends in the district's education system was the gradual increase in the number on students studying at the local branch of the Ruse University, with their number doubling in the period 2001-2011. However, the proportion of university graduates in working age has continued to decline and in 2010 reached 12.1%. The only other district in the country with a lower score on this indicator is Kardzhali.

Healthcare

Indicators from the „Healthcare" category place the district of Razgrad last among all the districts in the country for 2010. Razgrad is the district with the smallest number of GPs in the country. In relation to the population in the base year 2010, there was one General Practitioner to every 2,191 people of the population, against the national average of 1,583. The ratio between the number of physicians and the population continued to decline in 2011. The situation is similar with regard to the number of hospitals; there are only three in the district. In relation to the number of population, this means 2.41 hospitals in 2011 for every 100,000 people, compared to the national average ratio of 4.40. Low incomes and the absence of medical facilities are the main reasons behind the shortage of specialist doctors in the district.

The proportion of persons with valid health insurance in the district in 2010 was close to the national average indicator of 88%. In 2011, this share increased by nearly 3 percentage points. Relative to population, the number of patients who sought hospital treatment in 2010 was about 20 per cent higher than the national average, despite the small number of hospitals in the district. According to results of the survey among the local population, one in three residents of the district had to leave its boundaries to get the needed health services, and one in four was forced to make informal payments.

Environment

Razgrad is one of the districts with relatively low emissions of harmful substances relative to the area of the district's territory. Local people rated the quality of the environment as „satisfactory". One continuing problem is the low proportion of population in settlements with access to public sewerage; at the end of 2010, this share was only 40%, that is the lowest value for the country. A sewerage network is only available in the municipality of Razgrad.

In proportion to the number of people in the district, the design capacity of waste water treatment plants remains above the national average. This indicator is likely to continue to improve in view of the newly constructed three plants: two for potable water and one for wastewater treatment. The municipal waste collected per population served has declined more than 4 times over the period 2001-2011.

Social Environment

Despite the relatively low income levels in the district, most of the surveyed local people do not perceive their standard of living as „low", quite the opposite. The main issues raised by citizens are related to the infrastructure, opportunities for career development, and the effectiveness of the judiciary. Ratings given to the municipal and regional administrations are low, but not very different from those given by local residents of most districts in the country.

In 2009, nearly half of the population in the district fell within the group of people living in material deprivation. In the same year, the proportion of persons living in households with low intensity of economic activity was 9.5%, while one in five residents was living below the relative poverty line.

Despite the small number of registered crimes per capita that is lower than the country average, some local people do not their environment to be particularly safe. However, on the background of rising crime rates in some other districts (mostly in 2009 and 2010), the crime rate in Razgrad remained at 2007 levels. Around 12% of the district residents said they were willing to leave it if they had the opportunity.

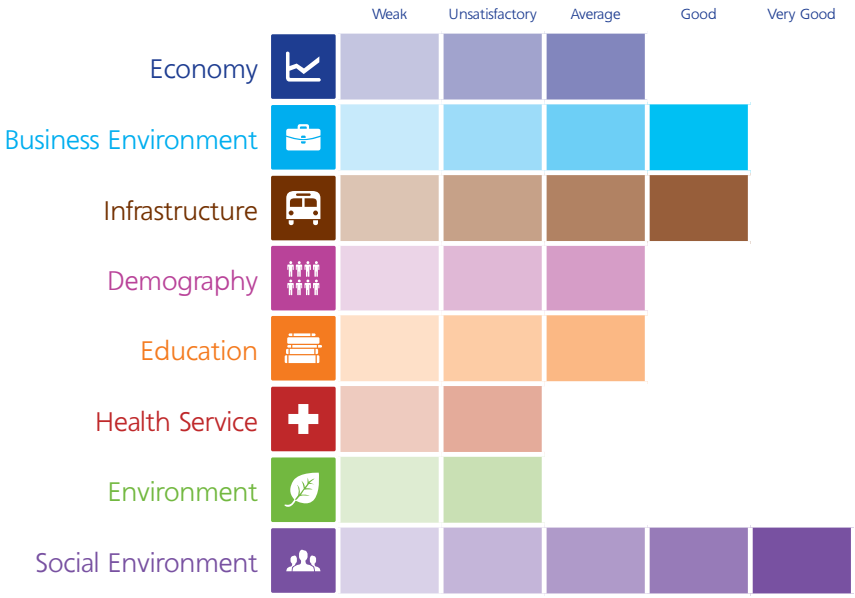
Ruse

GDP per capita, current prices, BGN (2009)	6987
Population (2011)	234631
Employment rate of the population over 15 years (2011)	44,2
Area (sq. km.)	2803,4

Overview

Ruse is located in North-Eastern Bulgaria. In addition to the town of Ruse, that is the district centre, it covers 82 populated areas in 8 municipalities: Borovo, Byala, Vetovo, Dve Mogili, Ivanovo, Ruse, Slivo Pole and Tsenovo. Ruse is characterized by a favourable social environment and a standard of living close to the national average. The key geographic location of Ruse District makes it an important part of the European Union's Danube Strategy, suggesting further improvement of the infrastructure in the region. The district performs around the country average in „Economy", „Demography", and „Education".

Problematic areas are the unfavourable business environment, insufficient facilities and human resources in the healthcare system, and environmental pollution. The main challenges facing local administrations include the absorption of funds under the EU operational programmes, improving the quality and speed of administrative services, with particular emphasis on providing a wider range of electronic services.



Economy

In 2009, GDP per capita registered a decline for the first time, following a period of nearly 10 years of steady growth, and reached values of about 22% below the national average. As a result, the employment rate in the district also plummeted: from 50.5% in 2009 (population over 15 years) to just over 44% in 2011. As a result, the unemployment rate that was at a level of 5.4% in 2009, more than doubled in the course of the next two years. In 2010, both employment and unemployment still had values more favourable than the national average. However, the deterioration of the economic situation in 2011 and the sharp decline in employment means that it would be reasonable to expect a deteriorated economic performance of the district in the near future.

In the period up to 2010, foreign direct investment in the district continued to increase each year, reaching EUR 363 million. The district is characterized by a relatively large number of registered enterprises, that is mostly a consequence of its key location at one side of the Danube Bridge. Relative to the number of the local population, the expenditures for acquisition of fixed assets reached a peak of just under BGN 3,000 per capita in 2008, but then shrank more than twice over the next two years.

A serious issue continues to be the low absorption capacity for funds under the EU operational programmes. At the end of 2011, the district has utilized only EUR 10 million, bringing the number to a little more than 40 euros per person of the population. Lower scores on this indicator were only reported by the densely populated districts of Sofia (city) and Stara Zagora. A favourable impact on the district's economic performance is attributed to the fact that the average income per household member did not stop growing even after 2008, although the growth rate did slow down.

Business Environment

The results of surveys among local businesses reveal the positive rating given by companies to the level of administrative services. Nearly a third of respondents said they had used the electronic services provided by local government, with the majority of respondents giving their quality a positive rating. The level of e-services provided by local government varies, with the widest range of services available in the municipalities of Dve Mogili and Ruse. The district is lagging behind significantly in introducing integrated one-stop services, which are still at the most basic stage even in the district centre.

In most of the local municipalities, the levy on household waste remains lower than the national average while fees for use of industrial goods markets are higher. On the background of most tax rates in the district fluctuating around the national average stands out the higher rate for license tax on retail trade in Ruse.

Infrastructure

In relation to its area, the district of Ruse benefits from a well-developed road and railway network, with the density of railway lines being almost two times higher than the national average. Near Ruse is Danube Bridge, that is so far the only road link between Bulgaria and Romania; this where the Danube River can be crossed by road and rail transport. The European Union's Danube Strategy gives special attention to improving the infrastructure of the district, and contains a number of projects for rehabilitation and expansion of the road network and modernization of railway lines. The upcoming completion of the construction of Danube Bridge 2 at Vidin, however, expected before the end of 2012, will put an end to the „monopoly" of the bridge at Ruse and will probably reduce local traffic.

Losses in the transport of water have decreased since 2006. In relation to the number of residents, the efficiency achieved in the transport of water is significantly higher than the national average.

In 2010, about 35% of households had Internet access, and 41% of those aged between 16 and 74 years had used the WWW, that is in line with the national average. In 2011, both indicators increased by 8 and 10 percentage points, respectively.

Demography

Over the period 2001-2011, the population of Ruse has decreased by more than 12%. However, towns and villages and other urban areas in the district remain more densely populated than the national average. The proportion of urban population is about 76 per cent, making Ruse the fourth most urbanised district after Sofia (city), Varna, and Gabrovo.

Negative trends were observed in the age dependency ratio. Both the proportion of people over 65 to those aged below 14 years and the proportion to those of working age shows ratios higher than the national average ratios.

The high negative rate of natural increase of the population in the district has a negative impact on demography. On the other hand, net emigration is relatively low; in two of the last ten years, Ruse even registered positive

values (i.e. larger immigration to than emigration from the district) according to this indicator. The majority of newcomers to the district come from the districts of Veliko Tarnovo, Pleven, Targovishte, and Silistra.

Education

The number of students and teachers in primary and secondary education has been decreasing at a rate higher than the country average, and has shrunk by 31% and 33%, respectively, over the period 2001-2011- The main reason are the negative demographic trends in the district. During the same period, 29 schools were closed in the district. According to 2011 figures, the rate of enrolment of students in Grades 5 through 8 was 81.7%. The number of repeaters is close to the national average (about 1%), and the number of school dropouts is a little over 3%, against a 2.4% average for the country. In school year 2010/2011, school leavers from the district scored near the national average at the matriculation exams in Bulgarian Language and Literature. During the next school year (2011/2012) the number of students who scored below the lowest „pass" grade of 3.00 doubled, and the average grade score plummeted from 4.43 to 4.11.

In spite of the gradual increase in the number of university students in the district (from 7 thousand in 2001 to over 9 thousand in 2011), the proportion of university graduates in the age group 25-64 remains unchanged (20.4% in 2011). This shows that only a small proportion of young people who graduated from local universities ultimately decide to pursue a career in the district.

Healthcare

The main problems in the field of healthcare stem from lower-than-average number of both specialists and general practitioners. In 2011, each General Practitioner had an average of 2,005 people on his patient list; the only other districts with similar indicators are Kardzhali, Razgrad and Targovishte.

By end 2010, 86% of the population in the district had valid medical insurance, that is close to the average values for the country. In the period from 2001 to 2008, the number of patients who sought hospital treatment increased by nearly 60%, followed by a trend of decline. In 2011, the ratio of the number of population to the registered medical treatment facilities reached the national average.

Confidence in the healthcare system remains high, with only 5% of respondents saying they had been forced to make informal payments. Although 65% of respondents said they were satisfied with the quality of health services in the district, one in four people who had used such services in the year prior to the survey, had to leave the district in order to receive the necessary care.

Environment

The emissions of harmful substances into the atmosphere in relation to the area of the district remain below the national average. However, on this indicator, the district is the fifth largest polluter in the country after Stara Zagora, Varna, Sofia (city) and Kyustendil. The household waste generated by the population is near the country average, with a certain increase since 2007.

Until 2010, a huge problem for the district was the absence of a functioning wastewater treatment plant in the district centre (the city of Ruse). The plant was commissioned at the end of 2011, but is not yet operating at full capacity. By end 2010, about 66% of the district's population was living in areas with access to public sewerage, that is only a little lower than the country average.

Social Environment

In 2009, about 17 % of the district's population was living below the poverty line, and 40.9 % were living in material depravity; on both counts, the district is performing better than the national average. The proportion of people living in households with low intensity of the economic activity is also low: only 4.4%, one of the lowest scores for the country.

Reported crimes against the person and property remain at low levels compared to the country average, making Ruse one of the safer districts in the country. Local residents are mostly dissatisfied with the standard of living and the lack of opportunities for career advancement in the district. Housing conditions and the environment were given high ratings. Nevertheless, close to 15% of respondents said they would leave the district if given the chance.

Citizens' opinion on the way local institutions operate is also one of the highest in the country. Schools, hospitals, and law enforcement services get the highest approval from respondents. It is worth noting the high marks given to central government structures in the district, which are well above the national average.

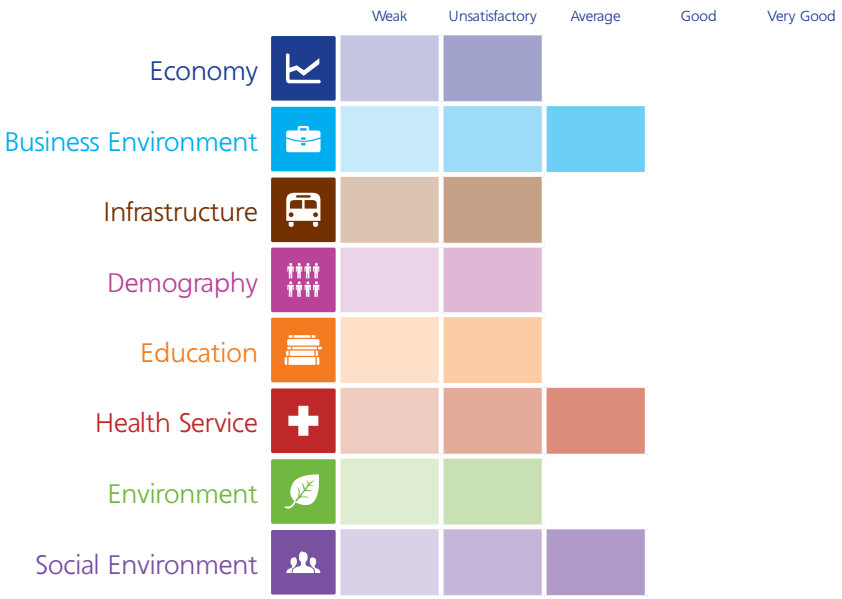
Silistra

GDP per capita, current prices, BGN (2009)	4505
Population (2011)	119006
Employment rate of the population over 15 years (2011)	38,3
Area (sq. km.)	2846,3

Overview

The district of Silistra is located in North-Eastern Bulgaria. In addition to the town of Silistra, that is the district centre, it covers 124 populated areas in 7 municipalities: Alfatar, Glavinitsa, Kaynardja, Dulovo, Silistra, Sitovo, and Tutrakan.

Silistra has been among the most slowly developing districts in Bulgaria over the past 10 years. Throughout that period, the district failed to attract foreign and domestic capital to stimulate the economic activity in the region and ensure a durable increase in employment and incomes. The geographical isolation of the district and the low living standard are the key reasons for a large proportion of residents to relocate further inside the country. The district performs below the national average in the fields of education, healthcare, economic development, and infrastructure. The business environment and social environment are the only categories attracting positive ratings, that is the result of the quiet country life, relatively clean environment and relatively low levels of local taxes and charges in most local municipalities.



Economy

Silistra is the district with the lowest standard of living as measured by GDP per capita: BGN 4,505 in 2009. Over the period 2000-2009, this indicator only registered a minor increase. The slow increase in the gross product per capita is also keeping the growth of income per household member at low values; this latter indicator has been increasing at one of the slowest rates in the country. The economic downturn in the district is further evidenced by the fact that in four of the last 10 years, local incomes actually fell on an annual basis, the pre-crisis 2007 being one of them.

In 2010, employment of the population over 15 years was among the lowest in the country: under 40%, and unemployment was a little over the national average. Both indicators deteriorated in 2011, when the average number of persons employed fell to 21.2 thousand people. The only district with lower employment is Vidin: 18.3 thousand people. The traditionally high unemployment that persisted even in the economically favourable pre-crisis years is evidence of the low economic activity and shrinking labour market in the district.

Silistra is the district that attracted the smallest amount of foreign direct investment in 2010: : only EUR 14 million. Foreign capital shrank to almost half its 2008 figure. In 2011, the municipalities in the district absorbed nearly EUR 16 million under EU operational programmes, which, in proportion to the number of local population, gives it twelfth position among the country's 28 districts.

Business Environment

The majority of local taxes are at levels below the national average, except for the fee for use of industrial goods' markets is a little higher. Also high are the rates for the annual retail license tax in Tutrakan and Dulovo, that is nearly twice the size of that in other communities. The main factors conducive to an improved business environment, according to local companies, are EU funds absorbed locally. The most negative impact, on the other hand, is attributed to the low local consumption and shortage of properly trained employees on the local labour market.

Nearly half of respondents had used electronic services provided by the local administration in the 12 months prior to the survey, and over 75% of these gave e-services a high rating. A variety of electronic services are available in Silistra, Dulovo and Alfatar, while the other municipal administrations only provide basic services. Silistra, Glavnitsa and Tutrakan are the municipalities declaring they are most prepared to provide one-stop-shop services.

Despite the high marks given to electronic services provided by the municipal and district administrations, local business representatives rated the speed of administrative services as being the lowest in the country. As in Ruse, the activity of the district branches of state institutions was highly appraised compared to the rest of the country.

Infrastructure

The density of road infrastructure in the district is in line with the national average, but the density of railway lines is nearly 50% lower, that is determined by the district's isolation from the main railway lines in the country. The low percentage of households with Internet access (a mere 20.8% in 2010) is largely the result of the low level of urbanisation in the district. The relative share of persons aged 16 to 74 who used the Internet in 2010 is about 26% - among the lowest values for the country. In 2011, both indicators registered a significant growth; the proportion of households with Internet access practically doubled. Losses in the transport of water in the public water supply and irrigation systems are low and continue to decline in both volume and relative to the population, although consumption remains relatively constant.

Demography

The negative demographic trends over the past ten years are among the key factors impeding the development of Silistra District. During the period 2001-2011, the population of the district shrank by nearly 16%. Silistra is the least urbanised district in the country, after Kardzhali; at the end of 2011, 45% of the district's population lived in cities and bigger town. When compared to 2001, the increase is only 0.4 percentage points. As a result from the decrease of the number of people, Silistra is turning into the most sparsely populated region in the country; in 2010, there were only an average of 923 people for every square kilometre.

The proportion of people over 65 to those under 14 years of age and to the active population show clear trends of deteriorating demography in the district. Over the period 2001-2011, the number of people aged over 65 years increased by more than 50% compared to that of children under 14. This is confirmed by the high negative rate of natural increase of the population (between minus 5 and 7‰ for the period 2001-2011). Throughout the period, more people were leaving the district than moving in to settle there; most of those leaving headed for Varna, and a smaller proportion - to Ruse and Sofia.

Education

Over the period 2001-2011 the number of students in primary and secondary education dropped by 33%, and the number of teachers - by 35%. Over the same period, 29 out of a total of 79 schools in district were closed down. Silistra and Sliven are the districts in the country with the lowest group enrolment rate of students in Grades 5 through 8 for 2010: less than 75%. In 2011, however, there was significant improvement on this count, and enrolment exceeded 81%. The number of school dropouts in the period 2000 - 2010 fluctuated between 2.4% and 3.7%, but persistently showed values above the national average. At the same time, the rate of repeaters remains one of the lowest for the country, that shows that the children experiencing difficulties in school are more inclined to leave it than to repeat the year.

As far as can be judged by the scores achieved by students at the state matriculation exams in recent years, the quality of secondary education in the district is close to the average for the country. Since the introduction of the matriculation exams in 2007, the most successful school year was 2011/2012. School graduates from Silistra District achieved an average score of 4.13 (4.18 for the country), and 5.1% of them scored below the lowest „pass" grade of 3.00 (at 5.49% for the country). A negative trend is, observed, however, in the number of people aged between 25 and 64 years with tertiary education, as their number has decreased from 15.8% of the population in 2004 to 13.1% in 2010.

Healthcare

Throughout the period 2000-2011, only three hospitals have been operating in Silistra District. The number of GPs remained constant throughout the period, but despite the gradual decline in the number of residents, relative to the population their number remains lower than the national average. The number of specialist doctors is also slipping, with a particularly noticeable drop in the number of specialists in general medicine. Surveys among the local population showed that just over 20% of the residents of the district had to leave it in order to receive the necessary health care services.

The number of patients treated in hospitals increased by nearly 35% in the period 2001-2005. Since 2007, there has been a downward trend, and in 2010 and 2011 the number of patients was already below 2001 values. On the background of the shrinking population, this shows increased morbidity of the population compared to the years before 2001. At the end of 2011, persons with valid health insurance were 86% of the total population, two percentage points below the national average. The majority of residents of the district gave high ratings to local health services.

Environment

Silistra is one of the districts with the lowest emissions of harmful substances into the atmosphere; over the period 2001-2010, their volume was almost halved. This is largely due to the closing down of some of the largest industrial complexes in the district over the past 10 years. The household waste generated per capita is also below the national average; for the past decade, their volume has shrunk more than twice.

The lack of wastewater treatment plants continues to be a major problem for district centres along the Danube (Vidin, Ruse and Silistra). The plant has been designed and is under construction, but due to a number of problems related to project documentation, it has not yet been commissioned. At the end of 2012, only 45% of the district's population lives in areas with access to public sewerage systems. However, the majority of the population is satisfied with the quality of the environment in the district.

Social Environment

Crime in the area is among the lowest in the country; in proportion to its population, the only districts with lower crime rates are Kardzhali and Smolyan. In 2009, nearly 10% of persons were living in households with low intensity of economic activity, and two out of three fell in the group of people living in material deprivation. The proportion of people whose income is below the relative poverty line in the district is over 20%, i.e. at levels similar to the national average in 2009.

We should note the low score given to local hospitals and the judiciary. Despite the extremely low level of income in the district, the local population generally reports higher life satisfaction than the national average. Residents of the district gave high marks to local environment and living conditions, and the institution benefiting from the highest level of confidence with the population (both in terms of their performance and probity) are schools. Around 13% of respondents said they would leave the district if given the opportunity, that is relatively low compared to other districts.

Sliven

GDP per capita, current prices, BGN (2009)	4603
Population (2011)	197177
Employment rate of the population over 15 years (2011)	41,4
Area (sq. km.)	3544,1

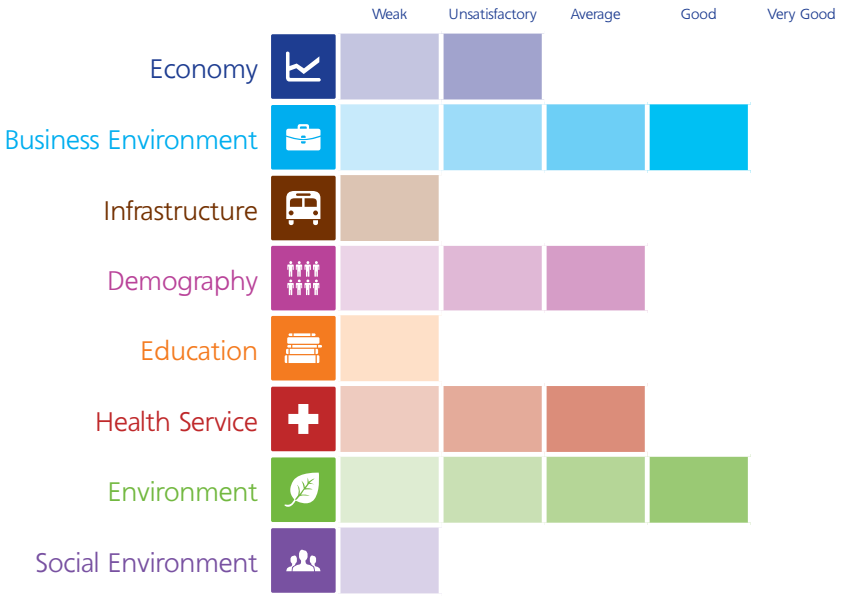
Overview

Sliven is situated in South-Eastern Bulgaria. In addition to the district centre of Sliven, it includes 111 populated areas in only 4 municipalities: Sliven, Kotel, Nova Zagora, and Tvarditsa.

Sliven is the district with the highest birth rate and lowest levels of age dependency in the country. At the same time, there has been significant outflow of people, including in the direction of foreign countries, suggesting economic problems in the district. The relatively high levels of poverty and low employment in recent years are the leading causes of local people's dissatisfaction.

Primary and secondary education also contributes to problems in the district: low enrolment, a high percentage of drop-outs and repeaters, and inadequate performance at matriculation exams in Bulgarian language and literature. All this creates barriers to finding qualified personnel for the industry, and a general shortage of entrepreneurs and small businesses in the district.

The business environment in the district is relatively favourable, but the challenges are in terms of taxes in the district centre, and the development of electronic services.



Economy

GDP per capita in the Sliven district is low compared to the rest of the country: lower values were only reported in Silistra. The employment rate (15 years and older) is about 41%, that is below the national average. Unemployment is also relatively high; the negative effects of the labour market crisis were first felt in 2009 and are still deteriorating.

Typical of the district is the high concentration of economic activities in the town of Sliven, with its development crucial for the whole district. A large proportion of workers in the district are employed in the industrial sector. The leading industries include textiles, food processing and machine-building. Foreign investments are mainly in textiles and wine-making.

In recent years, there has been an increase in the number of businesses, but Sliven is still far from the national average. Investments are close to the average rate for the country; in recent years there has been interest from foreign investors.

Administrative irregularities in recent years impacted negatively both certain potential investments, and the absorption of EU funds. At the end of 2011, the money paid under operational programmes to municipalities in the district amounted to nearly EUR 14 million, i.e., below the national average and a much smaller amount than in the districts of Gabrovo and Vratsa.

Business Environment

Local taxes and charges in municipalities are below the national average: taxes on property and household waste have been at consistently low rates. In the town of Sliven, however, local taxes are relatively high, while the tax on household waste is one of the lowest in the country.

The business community's opinion on corruption in the district is positive, with the survey showing low levels of corruption when compared to the national average. Informal payments are rare. These positive perceptions are also reflected in the companies' high appreciation of the performance and interaction with local authorities.

Administrative services in the municipalities have been improving. According to municipalities' self-assessment of electronic services, they now provide a level of „two-way interaction" while the one-stop-shop concept is mostly „still under construction". Companies' evaluation of e-services is relatively high, but at the same time, only one in eight companies had used these services in the past year. They most often used them for downloading forms. The low usage and the type of services speak of a lagging development of electronic services.

Infrastructure

The density of the road network in the district is relatively low for the country. The construction of the Trakia Highway is of paramount importance for populated areas in the district. The railway network is concentrated in the southern and central part of the district, where the Sofia-Karlovo-Burgas and Sofia-Plovdiv-Burgas lines pass.

Sliven suffers from significant losses of water in the supply infrastructure: relative to the population, losses are higher only in Pazardzhik and Yambol. Over the years, there have been sporadic tensions between different communities over water, with the large losses and non-payment of water in certain neighbourhoods being the source of this tension.

The business survey showed that the infrastructure is perceived more positively and is rarely cited as a major impediment to development. Citizens, however, are not entirely satisfied with the infrastructure, notably with the transport and communications, and this is one of the reasons for dissatisfaction.

Demography

Over the period 2001 - 2011, the population of Sliven District has decreased by nearly 10%. The rate of natural increase of the population is negative, as in any other district in the country, but the levels are low and close to zero, similar to Varna, Blagoevgrad, and Kardzhali. Sliven is the district with the highest birth rate in recent years, with a predominance of children born out of wedlock and children born in rural areas.

Net emigration is high, however, and in 2010 it reached more than -10 ‰ of the population. This rate is equivalent to a drop in population by nearly 2,400 people per year just because of negative net migration. In 2011, these processes have calmed throughout the country, and the negative net migration of the district was also reduced. Sliven is one of the districts with significant migration abroad.

Sliven is the only district in the country where the young (under 14) outnumber the elderly (over 65). However, negative demographic processes occur in this district, too, and in 2011 the ratio between the two groups is practically one to one. In the country, however, the picture is quite different, and this ratio reaches 1.5:1 in many places in favour of the elderly population over 65 years. In 2011, the population of working age (15-64) was nearly four times the population aged over 65 years, that stands relatively well against the country average.

Education

Over the period 2001-2011, the number of students in the Sliven district decreased by more than seven thousand. This is a decline of over 20%, logically leading to fewer schools: from 102 in 2001 to 78 in 2011, and a reduction of teachers by one quarter. Nevertheless, due to the age structure of the population and the larger number of the children and young people, these processes develop slower than the country. In the last 3-4 years, there has been a tendency for schools and students to retain their number.

Sliven is characterized by relatively few teachers; 74 teachers per 1,000 students. Similar values are only reported in Yambol and Burgas. A negative factor for the district is the traditionally high proportion of school drop-outs: nearly 5% of students in 2010, that is a record for the country. The share of repeaters is also relatively high.

The score grades from the matriculation exam in Bulgarian language and literature in 2012 were about average (4.17 for the district). The percentage of fails, i.e. those who scored less than 3, was also relatively high: around 6% in 2012.

There is no university in the district, but there is college, part of the Technical University (Sofia). Years ago, the College of Medicine with the Trakia University was closed down, but it is now expected to re-open, now a subsidiary of the Varna Medical University. The percentage of university graduates in Sliven stays about the country average: approximately 18% of the population aged 25-64 has tertiary education.

Healthcare

The patients who sought hospital treatment in Sliven are about average for the country, reaching 249 per 1,000 population in 2011. Doctors in the district relative to the population are less than the national average. This is true for both general practitioners, and doctors specialised in internal Medicine.

Persons with valid health insurance in the district in 2011 were 86 per cent of the population, that is close to the national average. In the last 5-6 years, there has been an increase in the number of person with health insurance, that is not typical of the country and most likely due to favourable demography in the district, as well as tighter controls over the use of health services by people with no insurance.

Informal payments for health are not a common practice: one in seven people who had used medical services in the last 12 months responded he/she had made such payments. A little over 15% of citizens said they were forced to travel outside the district to receive health services.

Environment

The emissions of harmful substances into the atmosphere in the district of Sliven are at levels about the country average and at least ten times lower as compared to major pollutants such as Stara Zagora, Varna and Sofia (city). The household waste per capita have reduced over the past years and are already among the lowest for the country: they are only lower in Montana, Razgrad, and Kardzhali.

About 60% of the population live in areas with public sewerage, that is below the national average and speaks of the need for investment in this field. On the other hand, there is a relatively high capacity (water volume) of the existing wastewater treatment plants for (public services).

The survey among citizens shows that people are satisfied with the quality of the environment (nature, water, air) in the district, and this factor contributes most strongly to their life satisfaction.

Social Environment

In 2010, one in two residents qualified as living in material deprivation, that is, struggling to meet their basic needs. The proportion of the poor in this period was 26%, or one in four was below the poverty line. These values are high compared to the country average, and also reflect major inequality, i.e. a differentiation between the poor and the rich: this is mostly seen in the difference between the incomes of the richest and poorest households.

Over the past few years there has been a slight increase in crimes against the person and property, but the district remains relatively secure compared to the country average. As can be expected, citizens are also relatively satisfied with their perception of security at home and in the street.

Citizens responded that their life satisfaction is mainly due to the quality of the environment, security, and housing. Social life and education also contribute to a rather positive level of life satisfaction. At the other extreme is the dissatisfaction provoked by low income, lack of employment or working conditions and infrastructure.

There is are definite public perception of a high level of corruption, and this applies to almost all major institutions: community, courts, police, hospitals, etc. Only schools are perceived as less vulnerable to such practices. All of this is reflected in the marks given to the performance of institutions: high for schools and the police, but low for hospitals and the administration.

When asked whether they would like to relocate permanently to another district, only a small portion of citizens categorically replied „yes". The majority of citizens have no desire to relocate to another district. The analysis shows that the district's problems are rooted in the economy, with employment and income being the biggest challenge.

Smolyan

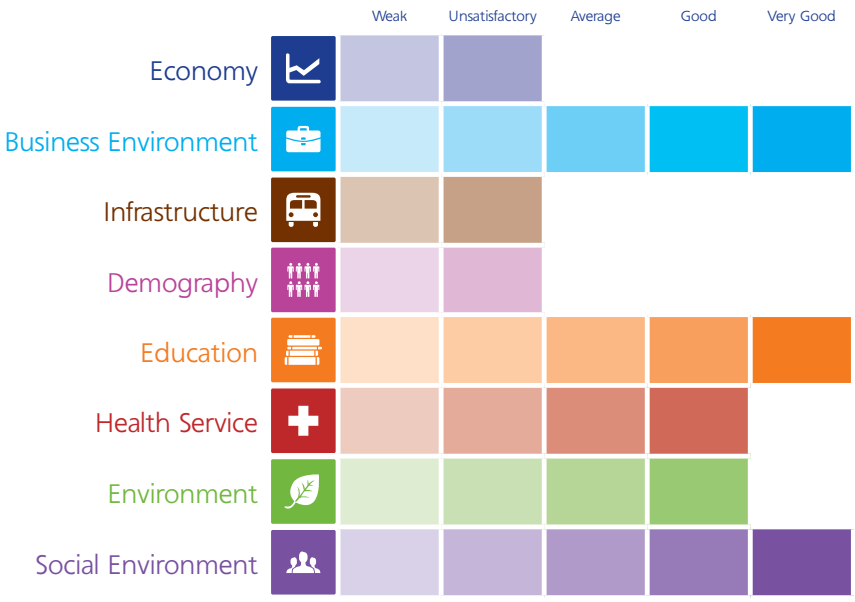
GDP per capita, current prices, BGN (2009)	6235
Population (2011)	121157
Employment rate of the population over 15 years (2011)	42,3
Area (sq. km.)	3192,8

Overview

Smolyan district is located in southern Bulgaria. It covers 241 populated areas in 10 municipalities. The larger of these are the municipalities of Smolyan, Devin, Zlatograd, and Rudozem. The district is mostly mountainous. Woodland covers 70% of the territory, while arable land takes up only 25%.

The district is among the leaders in a number of economic and social indicators. It ranks second in education, third in Business Environment, and fourth in Social Environment. Smolyan stands out with the large number of schools to the population, but matriculation exam scores in Bulgarian language and literature are below the national average. The district enjoys one of the lowest tax rates and levels of corruption. People expressed the greatest satisfaction with the environment, security, and housing.

There are certain weaknesses observed in its economy due to the relatively small number of companies and the smaller amount of accumulated foreign direct investment. In 2010, the negative net migration for the district was about 13.6 per mil, that is the worst score among all districts for that year.



Economy

The district was among the top ten with the highest GDP per capita in 2009. Its growth during period 2000-2009 was the fourth highest in the country after the districts of Plovdiv, Sofia and Sofia (city). However, the gross product per capita is over 30 per cent below the national average. The largest share in the economy of the district is taken up by light industry and tourism. The income per household member in 2010 ranked fifth in the country after Sliven, Pernik, Pleven, and Sofia (district) and is 6.6 per cent above average. It was traditionally high, and in 2011 it reached BGN 4.1 thousand per household member.

The employment rate in the district shrank to about 43% in 2010, thus deteriorating the average level for the country. In the period 2003-2008, employment increased significantly in the district and in 2007-2008, it was the third highest with more than 50% occupied. Then, however, with the onset of the economic crisis in the country, it started going down, and in 2011 it had already reached one of the lowest levels for the period 2000-2011. Smolyan district is traditionally characterised by relatively high unemployment. It maintained high levels even during the years of most rapid economic growth (2007-2008) and in the period 2009-2011 recorded the most significant increase: nearly 13 per cent, to reach nearly 24%.

The accumulated foreign direct investment in the nonfinancial sector per capita was relatively low and in 2010 reached only 40% of the national average. In 2000, on this indicator Smolyan ranked at the bottom of the list, but thanks to the low baseline, in the years up to 2010, FDI marked the largest growth in the country of 85 times.

Business Environment

The business environment is considered the third best in the country after the districts of Yambol and Targovishte. Smolyan generally offered some of the lowest taxes on real estate and vehicles in 2012, but license tax is relatively high. After municipalities received partial autonomy to establish the rates for these taxes, most municipalities in the district introduced changes in 2008 to reduce the rate of property tax and increase the tax rate on vehicles and license tax. Almost no changes were made in recent years. The municipality with the most active tax policy is Chepelare, that increased property tax by over 50% in the period 2008-2011. The municipality increased the vehicle tax in 2009, but in 2011 it again returned to its 2008 level.

However, between 2008-2012, local charges were changed annually by all municipalities in the district, with the municipal charge being on the downward trend in most municipalities. One exception is the municipality of Devin, where this fee was increased. The most significant decrease was observed in the Municipality of Rudozem. As to the charge for the use of market stalls, Devin municipality has been conducting an active upward policy, followed by the Municipality of Chepelare.

Smolyan occupies the third lowest position country-wide as far as corruption is concerned, after Razgrad and Targovishte. Over 70% of residents believe that corruption is very low. Informal payments are also at one of the lowest levels. The most common situations of informal payments are during the payment of taxes, public procurement, change of local regulations or ordinances to suit business interests, but even those are rare. The judiciary is given an average rating. The business community is most satisfied with its integrity and impartiality, and the biggest issue appears to be its speed of service.

The administration's performance is also considered to be one of the best in the country. Nearly half of the surveyed business representatives believe that the administration is not prone to bribery, and its employees are friendly and responsive. However, there is room for improvement in the clarity of requirements to business and the training of the administration.

Infrastructure

The development of the road and railway infrastructure in the district is low because of the prevailing mountainous terrain. There are no railways in the district, and in the period 2002-2010, the length of the road network was even reduced by one kilometre.

Households with access to the Internet are over 30% of the total number, that is significantly below the national average. Internet access has increased incrementally by about 10% per year in the period 2009-2010, then the rate of increased shrank. At the same time, the persons aged 16-74 who used the Internet in 2011 were 38% of the population: one of the highest levels in the period 2004-2011, but still well below the national average.

Losses from the transport of water per capita in the district fluctuate around very low levels. In 2010, on this indicator, the district, together with Vidin, and Kardzhali, were the three districts with the lowest relative water losses.

Demography

Smolyan is one of the most densely populated districts. According to figures from the 2011 census, the population of the district was estimated at 140 thousand people. Throughout the research period, the population of the district has been decreasing. Compared with data from the 2001 census, the population of the district had decreased by 13%.

Population growth was negative in 2010, as in other districts, with the exception of Sofia (city), but is above the national average. It is difficult to identify a trend over the years, but an increase in absolute terms was observed in 2011 compared to the previous year of nearly 2 ‰. A similar increase was only reported in two other districts: Ruse and Sofia (city). At the same time, net migration of the population in 2010 was negative and the lowest in the country. It is four times smaller than the national average.

The main destinations of those leaving the district were the districts of Plovdiv and Sofia (city). Those leaving for abroad have decreased significantly. A relatively small proportion of the population lives in cities and bigger towns: less than 50% in 2010, that is 20% below the country average. Traditionally, the distribution of city and country dwellers has been around 50:50.

Education

Smolyan district received the second best overall assessment on education, after the capital city. The district gets good scores on the availability of schools in primary and secondary education and the ratio of teachers/students, as well as on the education system's ability to retain students in school instead of them dropping out of school/repeating the year. One of the main reasons for the better availability, however, is the shrinking number of young people, rather than the opening new schools. The district has the highest group net enrolment rate of the population in grades 5 through 8 in 2010: 85% of children of this age group attended school, against an average of 80.6 per cent for the country.

The ratings given to the quality of education, however, are different. The average score from the matriculation exams in Bulgarian language and literature in 2010 were below the national average, and the proportion of poor grades (fail) in Bulgarian was 6%, that also exceeds the average in the country (4.8%). Over the following two years, the average grade score increased slightly, reaching 4.22 in 2012, and the proportion of those failing the matriculation exam went down to 5.6% in the same year. Local citizen's rating evaluation of the quality of education is quite high: about 60% give an „excellent" or „very good" rating to schools.

There is no university in the district, but there are branches of the Technical College of the University of Plovdiv and the Varna Free University. However, only 17% of the population aged 25-64 years in the district have tertiary education, that is far from the national average of 23% in 2010.

Healthcare

The district has the second highest hospital availability relative to the population: in 2010, there were nearly six hospitals to 100 thousand population, that ranks the district immediately after Vratsa. This can be explained by both the geographical peculiarity of the district: mainly mountainous, with poorly developed road infrastructure, and the decreasing population over the years. There are eight hospitals in the district, one of which was closed in 2011. The number of patients who sought hospital treatment are about average for the country.

GPs per capita are also about average for the country, while cardiologists and specialists in Internal Medicine are now well below average. Trends have varied over the years. Cardiologists per capita increased in the period 2001-2011, and the number of specialists interns decreased. Where GPs are concerned, there has been almost no change over the years.

Persons with valid health insurance were 91% of the population in 2010, indicating a relatively high confidence in the system.

Environment

Smolyan received the third highest score on the overall state of the environment after the capital city, and Gabrovo. In 2010, the district recorded the lowest levels of emissions of harmful substances into the atmosphere per sq.km. of area from among all districts, due mainly to the mountainous terrain, covering about 70% of the territory. Along with the structure-defining sectors of the economy are light industry, represented by textile enterprises, apparel companies, meat and milk processing plants and plants for the production of bread and bakery products, which have low emissions.

The region has six waste water treatment plants, providing a design capacity almost two times higher than the national average. Smolyan Municipality started building a new plant with EU funding in 2011 and prepared the documents to apply for funding for another one in Pamporovo in 2012. Wastewater treatment plants are

available in the municipalities of Banite (2009), Dospat (2009) , Rudozem (since 2007), Chepelare (since 2008) and Zlatograd (since 2007). Under construction are also plants in Madan, Borino, and Nedelino.

About two-thirds of the population in the district has access to sewerage systems, although these are quite obsolete. Since 2009, most municipalities have been applying for projects with EU funding for the completion, reconstruction and rehabilitation of water supply and sewerage systems.

Overall, the positive rating of the environment is confirmed by the results of the citizens' survey: over 70% were satisfied with the quality of the environment in the district.

Social Environment

The ratings given to the social environment are the fourth highest in the country after the municipalities of Ruse, Blagoevgrad, Kardzhali, and the number of crimes per capita is the lowest in the country. Life satisfaction is the fifth highest. People are most satisfied with the environment, security and living conditions, and least satisfied with their jobs and quality of life.

Just over 7% of the population in 2009 lived in households with lower intensity of economic activity, that is slightly above average. However, a relatively high percentage of the population - 58% compared to a 46% national average - lived in material deprivation in the same year. Nearly 13% of the population was below the poverty line for the district, that is the third most favourable level after Kardzhali and Blagoevgrad.

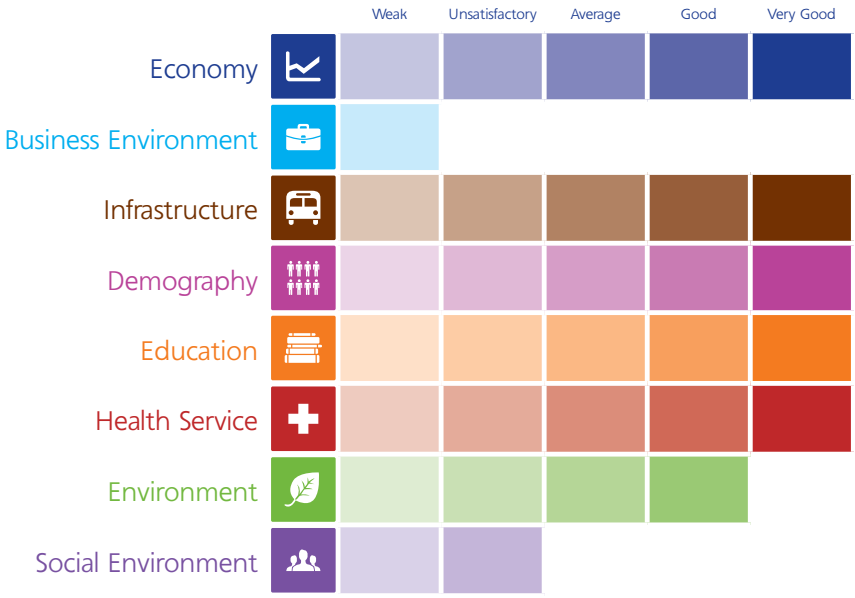
Sofia (capital)

GDP per capita, current prices, BGN (2009)	21386
Population (2011)	1294194
Employment rate of the population over 15 years (2011)	55,7
Area (sq. km.)	1348,9

Overview

Sofia (the capital city), as expected, is the richest district, with living standards times higher than other districts in the country. The capital city attracts people from other parts of Bulgaria with high incomes and a relatively stable labour market. Beyond that, Sofia is far from being the best place to live. According to many social indicators, such as the levels of crime and corruption, air pollution etc. it ranks at the very bottom of these rankings. A significant portion of the people living in its territory, but mainly in the city of Sofia and surrounding populated areas, according to the survey, would prefer to live elsewhere.

The capital city provides major business opportunities both in terms of the scale of its market and the skills of its workforce and the concentration of working-age population. Proximity to the central government is not a fact to be neglected. However, in terms of the business environment, Sofia not only lags behind other districts; it is at the very bottom, together with Pernik. Local taxes and charges are high, the work of administration got low rankings, and businesses complained about the level of corruption.



Economy

Sofia (city) is the richest district in the country with a GDP per capita of BGN 21.4 thousand (at current prices in 2009), that is 2.2 times more than the second richest district (Varna) and nearly five times more than the poorest (Silistra). The capital city also boasts the fastest-growing wealth. Over the last decade, GDP per capita has nearly quadrupled, and the difference with the poorest district has doubled. The capital has the highest income per household member: an average of BGN 5,438 in 2011, the difference with the rest of the country being considerable on this indicator, too.

The district has the highest employment rate of the population since 2007 (the previous five years the top position was held by Blagoevgrad). Over the past five years, the capital city had one of the lowest rates of unemployment. After a certain period of growth in 2009 and 2010, since last year there has been another decline in unemployment. The figures correspond to a major growth in the number of businesses that occurred after 2009, and the increased entrepreneurial activity despite the crisis. However, the employment rate of the population aged 15 + continued to decline over the past two years, suggesting that in Sofia (city), the number of people discouraged and generally economically inactive is increasing due to the shrinking labour market.

The area attracts more than half of all foreign direct investment in the country. This contributes to the larger amount (far above average) of the expenditures for acquisition of fixed tangible assets (FTA), with the difference on this indicator compared to the second best performing district (Stara Zagora) being 2.4 times, and compared to the national average - 2.8 times in 2010. In contrast, however, Sofia (city) occupies the bottom position according to EU funds per capita paid for projects under EU operational programmes for which municipalities were beneficiaries, with only 33.7% of the national average. The capital is ranked 12th in terms of total disbursements, having an absolute volume of EUR 26.7 million, and ranks behind districts such as Vratsa, Pernik and Kardzhali. This also means insufficient administrative capacity in preparing winning proposals and managing EU funds or an unwillingness to apply for operational programmes. In both cases, this leads to significant profits foregone for Sofia and other populated areas around it.

Business Environment

The reason for the city of Sofia to attract such significant investment, host new businesses and company headquarters moving from elsewhere in the country, is not just the business climate, as the ratings given to it are among the most negative. The only district with poorer marks on business environment is Pernik. The more likely reasons for companies to move are rather the closeness to the central administration, the quality and age profile of the workforce, and other factors.

Businesses also gave rather a poor score to their interaction with the local administration. Corruption perceptions among businesses are again highest, after Pernik. Areas with higher concentrations of informal payments are litigation, public procurement and decisions of the municipal council. In general, the judiciary gets a very poor score.

Other major problems in Sofia are the high local taxes: especially the license tax, but also the garbage charge and real property tax. Only the fee for use of markets is well below average.

One of the few advantages of the district is the quality and scope of electronic services provided by the administration.

Infrastructure

Sofia (city) has the highest rated infrastructure. This result, however, is largely distorted by the specifics of the district - the inadequate road network, the high density of railway infrastructure typical of a large railway hub, etc.

What makes the capital city different from other districts is access to the Internet. Over two-thirds of households have Internet access, and more than three-quarter of those between 16 and 74 years old use the Internet, according to the latest NSI data covering 2011. These are remarkably high scores against the rest of the country. Another plus of the district are the relatively low losses in the water supply network, equalling 27%, that puts it below the national average.

Demography

The demographic situation in the capital is the most favourable in comparison with the rest of the country. The population in the district has been increasing over the last ten years, by 10% over the period 2001-2011. The main reason behind this is the positive net migration, i.e. migration from other districts towards Sofia, that is the highest rate in Sofia (city) to anywhere else in the country. Sofia has the highest population growth among other districts, that in turn is a consequence of the high influx of immigrants in childbearing age from

other parts of the country. In 2011, the rate of natural increase in Sofia was -1.1 ‰, and in 2009-2010, it was even slightly positive.

Migration from Sofia (city) is mostly to Sofia (district), Burgas, Varna, Plovdiv, and Pernik. Apparently the citizens of Sofia either move to another highly developed district or adjacent districts in search of better living conditions. Since 2009, there has been a clear trend of increasing number of people emigrating abroad, and their proportion increased to 15-16% of all who left the district compared to 1-2% in previous years.

The district naturally has the highest proportion of urban population: 95.4%, that has remained constant over the last ten years. Age dependency ratio as the ratio of the population over 65 years to that from 0 to 14 years of age was 125.66, that is a relatively good value compared to the country average. The age dependency ratio, obtained as the ratio of people over 65 to the working age population, was 22.2 for 2011, increasing by two percentage points compared to 2007. This is due to the outward migration of people of working age, and the general trend of population aging in the country. On this indicator, Sofia (city) still stands well compared to the other districts, where age dependency is much higher.

Education

Education in Sofia (city) is rated as the best in the country. Despite the relatively low number of schools in relation to the population, the number of teachers is not inferior to the country average, and even slightly exceeds them. In Sofia, the proportion of students who failed the matriculation exams is the lowest, and the average grade achieved by school students has traditionally been among the highest. There is an extremely low percentage of school dropouts, and repeaters.

What makes an essential difference between Sofia and other districts is the level of higher education. This is the district with the highest number of universities, with a very high number of students, and categorically the highest proportion of university graduates to the number of population. The latter, of course, is determined by the characteristics of the city as a migration destination for educated people from around the country seeking better career.

Healthcare

The overall rating of healthcare is above average, but Sofia (city) ranks after Vidin, Stara Zagora, and Gabrovo. The capital city is lagging behind according to the number of hospitals relative to population, although hospitals have increased by 25 per cent over the last ten years. However, patients hardly suffer from this, because one general practitioner serves quite a smaller number of people compared with the average for the country.

The relative number of patients who sought hospital treatment is also quite large. In analysing these indicators, it should be borne in mind that many people from other districts travel to Sofia for treatment. The capital is one of the areas with the highest number of cardiologists and specialists in Internal Medicine per capita. The proportion of persons with health insurance is among the highest in the country: 91 per cent.

The main problem facing healthcare in Sofia (city) seems to be corruption. Nearly two-thirds of residents in the districts believe that the corruption level in hospitals is either „very high" or „high", and more than a third admit that last year they had to make informal payments for treatment.

Environment

The overall assessment of environmental quality in Sofia is relatively high and above the national average. This, however, is radically different from the perceptions of citizens who ranked the city second to last, only followed by Pernik. This can be explained by the different components of the integrated measure. For example, Sofia performs well above the national average in terms of the capacity of the waste water treatment plants and sewerage systems, but obviously these benefits are taken for granted by citizens of the capital. More obvious problems are associated with the level of harmful emissions and the waste situation.

Social Environment

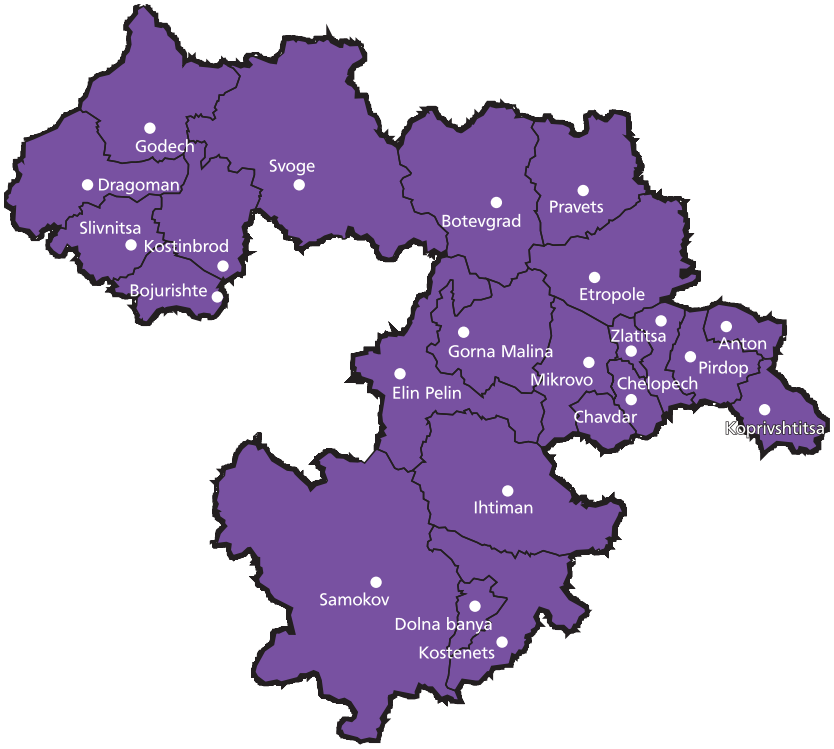
Despite its best performance in four of the eight indicators, Sofia (city) sinks to the bottom on Social Environment. If we take into account the subjective perception of citizens from the survey conducted, Sofia looks like a place where many people actually have no desire to live, but in a sense, they feel forced to do so. In economic terms, the capital city stands remarkably well against the country. Besides being the richest, this district also has the lowest proportion of the population living in material deprivation. There is an extremely low number of households whose members have low economic activity. Only 16 of every 100 people were living below the poverty line. Paradoxically, however, people are not very satisfied with their standard of living - nearly half of the respondents stated that they were not satisfied, while only 16.7% were satisfied to a greater or lesser degree.

In districts with almost five times lower standards of living, such as Silistra for example, the proportion of those satisfied with life is much higher. Also relatively low is the percentage of those who are satisfied with their jobs. For almost all other indicators, the capital city is not seen as a very good place to live. As for housing, there is the least useful floor are per person in the country, except for Blagoevgrad. The crime rate is the highest in the country. Confidence in the police and judiciary are among the lowest, respectively the sense of security at home and in the street was badly shaken. Citizens evaluate the performance of the administration as quite poor. Ratings are relatively low also for the work of other institutions such as hospitals, schools and other government services. In Sofia, corruption perceptions among citizens are among the highest.

One in three residents of the capital city is willing to permanently relocate to another district. On this indicator, Sofia is bettered only by Montana and Sofia (district).

Sofia

GDP per capita, current prices, BGN (2009)	9574
Population (2011)	246641
Employment rate of the population over 15 years (2011)	44,9
Area (sq. km.)	7062,3



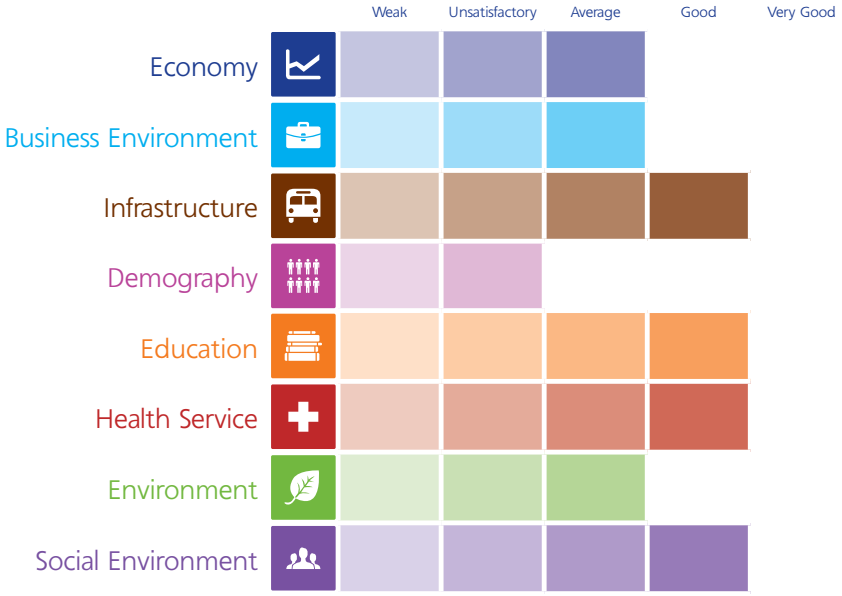
Overview

Sofia is the second largest district in the country and is located in South-Western Bulgaria. The district covers 283 settlements in 22 municipalities - the biggest being Samokov, Botevgrad, Svoge, Elin Pelin, Ihtiman, Kostinbrod, Kostenets, Etropole, Slivnitsa, Pirdop, and Pravets.

Demography is one of the challenges in the development of the district. The high levels of age dependency determine the economic and social developments in the district. Unlike the rest of the country however, emigration of the population is not a problem, mostly because of the proximity of the capital city and the availability of investments and jobs.

The relatively good business environment and well developed electronic services in recent years have contributed to more foreign investment. Corruption perceptions however remain high, that logically results in the negative ratings given to the work of institutions.

The secondary education is at a good level: students from Sofia traditionally receive the best scores at the matriculation exam in Bulgarian language and literature. A continuing challenge is the relatively small number of university graduates and the shortage of qualified staff.



Economy

The gross domestic product per capita in Sofia district is one of the highest in the country - almost identical to the one in Varna and seriously lagging behind only the capital city of Sofia. The growth of the economy in recent years has been significant, and again only topped by the city Sofia.

Employment in the district is relatively high compared to the rest of the country, reaching 45% of the economically active population. The official unemployment figures also show a lower unemployment rate compared to the country, and in the years of high employment, particularly in 2008, unemployment was low and virtually identical to that in the capital city.

A leading role in job availability and the economy generally is industrial production, for instance the municipalities of Chelopech, Botevgrad, and Pirdop. Undoubtedly, industrial production in the district is related to the proximity to the capital city and the opportunities for outsourcing of production activities near the administrative centre of the country, that determines the interest of some large foreign investors to the district.

The number of businesses in the district relative to the number of population is low and lags behind other developed districts in the country. However, investment remains high and the inflow of foreign investment over the years, population-weighted, is the second strongest after the capital. At the end of 2011, the EU funds paid to municipalities in the district under operational programmes are nearly BGN 44 million, that is relatively high for the country.

Business Environment

Local taxes in the municipalities are below the national average: rates are low for vehicle tax and license tax in certain municipalities. In Samokov and Chelopech, property tax is one of the lowest in the country, while in Elin Pelin it is one of the highest. With regard to household waste charges, examples are mixed: low in Bojurishte, Elin Pelin, Samokov and Slivnitsa, but very high in Godech and Dragoman.

The corruption perceptions of businesses in the district run extremely high, with the results being the worst for the country. This logically leads to a negative rating by companies on the performance and interaction with the local authorities. Administrative services in municipalities also vary greatly: according to municipalities themselves, the level of electronic services in places reaches „two-way communication" (the highest is „transaction") while the one-stop-shop concept is most often at the „operational" or „developing" stage. The best rating is given to the municipality of Chelopech which, in the presence of a large foreign investor, has made efforts to improve its administrative services.

Companies' marks given to e-services are relatively high, with nearly 80 per cent of companies having used such services in the past year (the highest usage in the country). Nearly half of the companies using such services maintained two-way communication with the administration electronically, indicating better development of electronic services.

Infrastructure

The density of the road network in the district is among the highest in the country: it is higher only in Gabrovo, and Pernik. The main highways connecting the capital city with Burgas („Trakia") and Varna („Hemus") pass through the district. The density of railway lines is also high, rail transport playing an important role in the development of the district. The mountainous terrain characteristic of the district, significantly impedes the construction and maintenance of railway infrastructure.

The proportion of households with Internet access increased in recent years, following the trends in the country - in 2011 every second household had Internet access.

The business survey shows that the infrastructure is perceived positively by businesses and is rarely cited as a major obstacle to development. Citizens are also rather satisfied with the state of the infrastructure, although it does not rank among the leading factors of life satisfaction in the district.

Demography

Over the period 2001 - 2011, the population of Sofia District has decreased by nearly 9%. The decline in population is due to the sustainable processes of natural increase, while emigration is not an issue - in some years net migration was even positive. Logically, migration flows are mainly linked with the capital, and this applies both to newcomers and to people who left the district of Sofia permanently.

The relative proportion of population in cities in the district is 60%, i.e. smaller than the total for the country. The population density is low: lower density is only observed in Dobrich, relative to the area of populated and urban areas.

The age dependency ratio is better than the country average, with the population aged over 65 is 50% more

than the population aged 14 years or younger. A positive development is that over the past 5-6 years, these levels have been preserved, that is an exception for the country. The working age population (15-64 yrs) was nearly four times the population aged over 65 years, conforming with the average ratio for the country.

Education

Over the period 2001-2011, the number of students in the district decline by nearly 20%. This logically leads to fewer schools - from 132 in 2001 to 107 in 2011, and also to a serious decline in the number of teaching staff. Such processes are characteristic of the country, but negative changes here are less pronounced than the national average, that is due to the relatively favourable demographic trends.

The area is characterized by a relatively small number of teachers, with 78 teachers to 1,000 students: clearly lower values were observed only in Yambol, Sliven, and Burgas. At the same time, Sofia district is one of the districts with the smallest number of population per one school. School dropouts are less than 2 per cent of all students in 2011, this is the district's best result over the last 10 years and relatively better compared to the national average. The percentage on repeaters is relatively high, with only in Dobrich and Plovdiv performing higher on that count.

The score grades from the matriculation exam in Bulgarian language and literature in 2012 were about average (4.54 for the district). The relative proportion of failed students is the lowest: about 2% for 2012. Taking into account the sustainability of these results in recent years, the quality of education is definitely a big plus for the district.

There is one university in the district: the International Business School (Botevgrad), but the proximity to Sofia makes the best universities in the country relatively easily accessible to the local population. However, Sofia is characterised by a relatively low proportion of university graduates - only 13% of the population aged 25-64 have tertiary education, and in recent years this proportion has decreased. The relatively small proportion of university graduates also suggests issues facing businesses in finding qualified staff, that in turn poses a serious challenge to the development of the district.

Healthcare

The number of patients who sought hospital treatment in the district has traditionally been large when compared to the national average: nearly 300 per 1,000 population in 2011. There are more hospitals concentrated in Sofia District, that is explained by the many relatively large populated areas in the district. Issues in healthcare in the district can be linked to the number and skill composition of medical staff. GPs are definitely not in sufficient numbers, while cardiologists and specialists in Internal Medicine are more than the national average.

Persons with valid health insurance in the district in 2011 were 85% of the population, that slightly lags behind the country average and good examples such as Gabrovo, Smolyan, Stara Zagora, and Yambol where this percentage exceeds 90%.

Informal payments for health are not a common practice: one in eight people who had used medical services in the last 12 months responded he/she had made such payments. Nearly 15% of citizens said they were forced to travel outside the district to receive health services.

Environment

Emissions of harmful substances into the atmosphere in Sofia District are among the lowest in the country: they are only lower in Smolyan, Montana, Dobrich, Kardzhali and Blagoevgrad. Collected household waste per person of the population decreased over the past years, but still remain among the highest in the country – more waste is collect only in Pernik, Pazardzhik, and Dobrich.

Over 75% of the population lives in areas with public sewerage, that is among the highest in the country: coverage is only better in Sofia, Varna, and Gabrovo. About average for the country is the capacity (water volume) of existing wastewater treatment plants (public services). Under construction in 2012 were seven new facilities that are expected to significantly improve the environmental situation in the district. The survey among citizens shows that people are satisfied with the quality of the environment (nature, water, air) in the district, and this factor contributes most strongly to their life satisfaction.

Social Environment

In 2010, one in three residents qualified as living in material deprivation, that is, struggling to meet their basic needs. This percentage is lower against the country average; only in the capital city people living in material deprivation are under 30% of the population. The proportion of the poor in Sofia is below 20%, that is close to the national average. Statistics over the years shows that poverty in the district has remained relatively low,

and inequality in income distribution, i.e. the gap between rich and poor, is gradually getting smaller. This conclusion is based on the estimated income differentiation characteristics - „Gini coefficient" and the ratio of the richest households' income to that of the poorest.

The past few years have seen an increase in crimes against the person and property, with the district becoming one of the least safe in the country: more crimes relative to the population were registered only in Sofia (city) and Burgas.

According to the survey, citizens' life satisfaction is mainly the result of decent housing, social life, and the environment. Health and education also have rather a positive effect on life satisfaction. At the other extreme, dissatisfaction with life primarily attributed to low incomes and the lack of (or conditions) work; this is typical of the whole country and further enhanced by the economic crisis.

There is a definite public perception of a high level of corruption, and this applies to almost all major institutions: community, courts, police, hospitals, etc. This results in low ratings given to the way institutions operate, especially with respect to hospitals, schools and courts. When asked whether they would permanently relocate to another district, one in four answers in the affirmative, that is a large proportion compared to the country average. Just over one-third are people who categorically replied they did not want to move to another district.

Stara Zagora

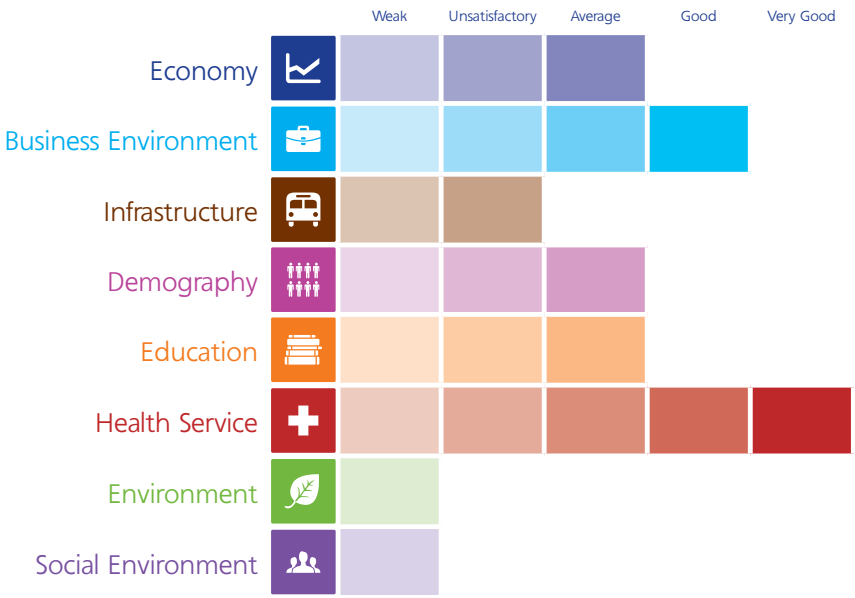
GDP per capita, current prices, BGN (2009)	9207
Population (2011)	332340
Employment rate of the population over 15 years (2011)	45,1
Area (sq. km.)	5151,1

Overview

The district of Stara Zagora is located in the Eastern part of South Bulgaria. It is divided into 11 municipalities covering 206 populated areas. The larger municipalities are Stara Zagora, Kazanlak, Radnevo, and Maglij. The ratings given to the economy and business environment in the district are high compared to elsewhere in the country, while healthcare is considered the second best nationwide. The district's weaknesses include the quality of natural and social environment.

Stara Zagora stands out with the fourth highest output per capita, that is largely due to the major energy companies operating there: „Maritza Iztok 2" and „Mini Maritsa Iztok". Local taxes and informal payments in the area are among the lowest in the country.

The volume of harmful emissions is the highest among all districts, and is due to the large enterprises in the energy sector, and the well-developed heavy industry. People in Stara Zagora are most dissatisfied with the social environment and infrastructure. One in ten lives in a household with low intensity of economic activity.



Economy

The area had the fourth highest output per capita in 2009 after Sofia (city), Varna and Sofia District. It has traditionally enjoyed a large volume of production, that in 2000-2009 was growing at a slower rate than the national average and was left behind the districts of Varna, Smolyan, Plovdiv, Sofia District and the city of Sofia. The district is one of the few where the GDP per capita continued to grow during the crisis in 2009. The strong production is due mostly to companies in the energy sector and related business, and heavy industry.

Income per household gives the district sixth position after Smolyan, Sliven, Pernik, Pleven and Sofia (city) in 2010, and in 2011 the district even climbed to third position after Sofia (city) and Pernik. Stara Zagora was the leader in income growth per household member during the period 2001-2011, meaning that it has been quickly closing the gap with other districts on this indicator.

The number of persons employed in the district is also high and only slightly behind the districts of Ruse, Varna, Blagoevgrad, and Sofia (city). In the period 2000-2009, their number increased, although at a slower pace than in other districts. As a result of the economic crisis, the employment rate dropped in 2010-2011.

The district is not characterised by a large number of companies to the population, and the increase in their number over the years has been slightly below average. This is due to the several major companies in the district that employ many workers. The number and size of companies has a positive influence on the volume of foreign investments; the rate of investment is relatively high and ranks only below the best performing municipalities of Gabrovo, Varna and Sofia (city).

The absorption of EU funds per capita for projects of municipal administrations in the district is the second lowest in the country, after Sofia (city).

Business Environment

The ratings given to the business environment in the district are among the highest in the country, after districts such as Ruse, Vratsa, and Targovishte. The district is characterised by low local taxes (among the 10 lowest in the country). The municipal waste charge is the third lowest, after the districts of Vidin, Dobrich, and Gabrovo. The charge on market stalls is also below the national average, but higher than in other districts.

The level of corruption in the district is about average. According to the business survey, the highest level of corruption is in the police and judiciary. However, the performance of the judiciary is considered one of the best in the country after Targovishte and Burgas. According to local companies, informal payments are the exception rather than the rule.

The administration's performance is rated second worst in the country after Sofia. The main problems in Stara Zagora are the slow service, unfriendly administration and unclear requirements.

Infrastructure

The density of the road network in the district is relatively low, despite the slight improvement in the period 2002-2010. The road network continued to increase by 2007, then remained at constant levels by 2010. The survey conducted among local citizens and businesses shows that the condition of the infrastructure is not adequate.

In 2012, a section of Trakia Highway was commissioned between Stara Zagora and Nova Zagora, which will no doubt have a positive impact on the district. Under construction is the Maritsa Highway linking Trakia with Kapitan Andreevo. Its construction will also help develop the district as it not only facilitates access to south-eastern Bulgaria, but will ensure a connection to the traffic of people and goods to and from Turkey and the Middle East.

On the other hand, the railway network is one of the most developed in the country after Plovdiv, Ruse and Sofia (city). It expanded in 2004-2009, but since 2010 its condition has not changed much.

Just over 30% of households had access to the Internet in 2010, that ranks Stara Zagora slightly below average because of the high concentration of households with internet access in Sofia (city). Access is high and over the years there has been no significant growth in the district. The proportion of people aged between 16 and 74, who used the Internet in the last 12 months, is below the national average. Over the years it increased more slowly than households' access to the Internet, but still exceeds it.

Losses in the transport of water in the district in 2010 were among the highest, with only Veliko Tarnovo, Sliven, Yambol and Pazardzhik „performing better" on this indicator. In 2006-2010, transport losses decreased slightly, with the most pronounced decline in 2010.

Demography

The population density in the district is slightly above average. It has traditionally not been very high, and in the period 2000-2011, the population decreased by just over 10%. The rate of natural increase and net migration are negative, but lower than the national average. In 2011, the largest proportion of those who left Stara Zagora moved to the districts of Sliven, Plovdiv and Sofia (city). Population mobility is the high in the district, but does maintain a balance: the annual number of those moving out of the district is close to the number of newcomers.

People aged over 65 years were 30% of people aged between 15 and 64 in 2011, slightly above the country average. The ratio has been gradually increasing over the years, but at a slower pace than in other districts. In 2011, over 70% of the population was living in cities and bigger towns, that is slightly below the national average.

Education

The number of university students per capita in the district is relatively low, but the district centre is home to the Trakia University, that has the largest agricultural school in the country. In the period 2000-2011, the number of university students in the district increased by over 60%.

The number of primary and secondary schools to the population exceeds the national average. Between 2003 and 2008, the decrease of the number of schools was slower compared to the rate of decrease of the number of students. During the same period, 26 schools were closed. At the same time, the teacher/student ratio is one of the lowest in the country after Varna, Sofia, Haskovo, Yambol and Sliven. Over the years, the ratio has been relatively stable, except for the period 2004-2007, when it increased because of the serious decline in the number of students. The latter continued to decline after 2007, but this was accompanied by layoffs of teachers. School dropouts were relatively few in 2010. Stara Zagora ranks after districts such as Sofia, Kardzhali and Sofia (city). A significant improvement has been observed since 2006, in the following four years dropouts decreased by nearly 50%. However, the proportion of repeaters is the fourth highest in the country after Sofia, Plovdiv, and Dobrich.

The average grade score from the matriculation exam in Bulgarian language and literature in 2010 was among the highest in the country, after Varna, Sofia (city) and Sofia. The district also boasts the smallest number of students who failed the exam: only 2.9% in 2010. In 2011-2012, there was some deterioration on this count, too.

Healthcare

The number of hospitals relative to the population is higher than the national average, with more hospitals available only in the districts of Gabrovo, Sofia, Vratsa, and Smolyan. Hospitals have been progressively increasing in number in the period 2000-2005, then there was a sharp increase in 2006-2007, and a gradual decline leading up to 2011. Compared to the population, there was a relatively large number of GPs available in 2010, while cardiologists and specialists in „Internal Medicine" are slightly below the country average.

The number of patients who sought hospital treatment in 2010 was among the highest in the country after Plovdiv, Veliko Tarnovo, Yambol, Varna, Sofia (city) and Pleven. Over half the population of the district believes that corruption in hospitals is very high, yet about 35% of respondents admit they made informal payments. Nevertheless, more than half of the population is satisfied with healthcare in the district, but over 66% had sought hospital care outside it.

People with valid medical insurance in the district are 88% of the population, that is slightly above the national average. Their share over the years has been relatively stable, and in 2011 it exceeded the 90% mark, that was one of the highest rates in the country.

Environment

Emissions of harmful substances into the atmosphere per square kilometre of area are the highest in the country, because of the large energy installations and heavy industry. The household waste collected has been traditionally low, although it registered a slight increase in the period 2007-2010.

Less than 70% of the population lived in areas with a sewerage system in 2010, that is below the country average. The capacity of water treatment plants is one of the lowest in the country and also ranks 70% below average. There were three wastewater treatment plants for secondary treatment in 2010. A fourth one in Bolyarovo became operational recently. As at 2012, three new installations were under construction, which will significantly improve the situation in the region.

Social Environment

Life satisfaction in Stara Zagora district is relatively low, and people are most dissatisfied with social life and infrastructure. Meanwhile, over 30% of people are satisfied with housing, education, health, and the environment. One in ten lived in a household with low intensity of economic activity in 2009, that is nearly 40 per cent above the national average. Nearly 25% of the population is below the poverty line. Both indicators deteriorated in recent years, that is especially pronounced in separates living in households with low intensity of economic activity: from 7 thousand in 2008 they increased to 20 thousand in 2009.

Crimes against the person per capita were relatively high in 2010, but remain below average. In the period 2002-2008, there was a decline in crime, but then it increased again and in 2010 was at one of the highest levels for the period 2000-2010.

Targovishte

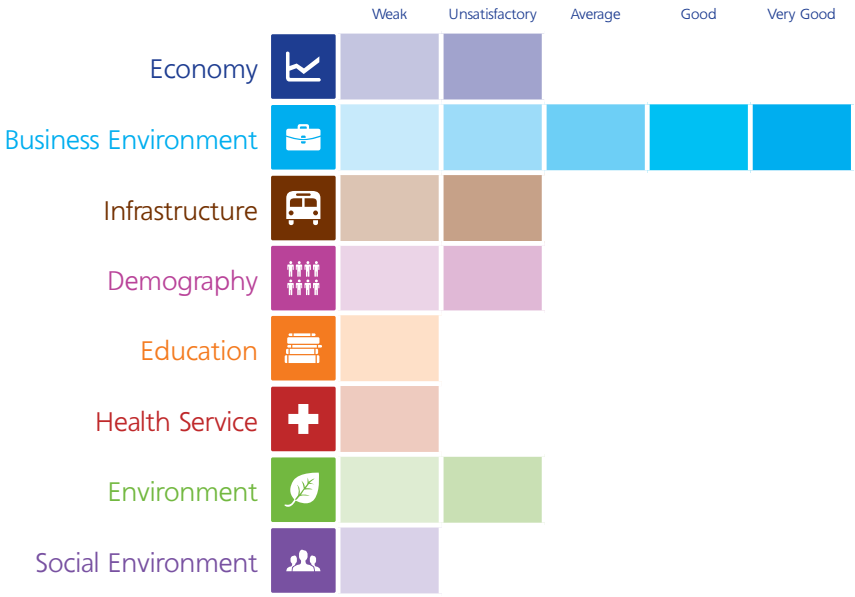
GDP per capita, current prices, BGN (2009)	5056
Population (2011)	120420
Employment rate of the population over 15 years (2011)	45,4
Area (sq. km.)	2558,5

Overview

The district of Targovishte is located in North-Eastern Bulgaria. Besides the town of Targovishte, that is the district centre, it includes 200 populated areas in 5 municipalities: Targovishte, Omurtag, Popovo, Antonovo, and Opaka.

Targovishte District is one of the smallest in the country both in terms of population and area. Despite the relatively good economic developments over the past few years, the district continues to lag behind in many areas. This is largely the consequence of the low level of urbanisation and the geographical location between some of the biggest cities in the country such as Varna, Ruse and Veliko Tarnovo.

The most problematic factors include the low standard of living and low income for the majority of the population. Health and education systems also continue to lag behind on a number of criteria. The infrastructure in the district is gradually improving. The main comparative advantages of the district include low local taxes and the well-functioning local administration.



Economy

In 2011, the employment rate of the population aged 15 and over (45.4%) and the unemployment rate (12.6%) remain close to the national average. Analysis of the indicators in the „Economy" category shows that the district has been one of the most solid performers over the period 2001-2011, due mainly to the sustainable employment growth achieved in the pre-crisis years. The fact that the number of people over 15 years in employment has increased from 32.1% in 2001 to 45.4% in the 2011, speaks for itself. During the same period, the average rates in the country rose from 38.7 to 45.6 per cent.

To a large extent this is due to the gradual but steady increase in foreign direct investment over the last ten years. Even in the years after the crisis, the volume of investment in the nonfinancial sector remained stable. However, relative to population, the volume of foreign investment remains below the national average.

In 2010, the average income per household in the district was only BGN 2,354, that was the lowest in the country for that year. GDP per capita remains well below the average. In 2011, however, the average income per household member in the district increased by nearly 14%. Low incomes and the lack of career opportunities in the district were cited as one of the leading problems for both businesses and citizens.

By the end of 2011, municipal administrations had absorbed over EUR 23 million under EU operational programmes. In relation to the number of residents, this was the sixth best result for Bulgaria and nearly two times higher than the national average.

Business Environment

Targovishte is among the districts with the most favourable business environments in the country. The main reason is the low level of local taxes in most municipalities, including the district centre (the town of Targovishte). The tax rates for real estate tax and retail license tax are lower than the national average. Also low is the rate for household waste collection charges and the fees for use of industrial goods'markets. A comparison between the rates of local tax at the municipal level shows that most rates are highest in Popovo Municipality. The tax rate for retail license tax is highest in Targovishte Municipality.

Businesses gave very high marks to the speed and quality of administrative services. The majority of local municipalities are well prepared to provide one-stop-shop services, and e-services are becoming increasingly available. According to the majority of respondents the level of corruption in various institutions in the district is low, even in areas such as public procurement, that businesses have traditionally mistrusted and which have often become fertile ground for corrupt practices. In recent years, in Targovishte, as in many other of the smaller districts, there has been a trend for larger companies to move their headquarters to bigger cities; one of the reasons being the closure of regional NRA offices.

Infrastructure

The district has a well-developed road network with a density 14% higher than the national average. The combined total length of highways, Class One, Class Two and Class Three roads in the district is 523 km. Still, local business representatives believe that the infrastructure is one of the main drawbacks for the district.

The low internet penetration continues to be a problem. The proportion of households with Internet access in 2011 was only 24.3%, that is the lowest score in the country. However, the proportion of people who used the Internet in the same year was nearly twice as high and close to the national average. The lower share of households with Internet access can be largely attributed to the low level of urbanisation in the district.

Losses in the transport of water in water supply and irrigation systems reached 26.46 million cubic metres per year in 2009. In proportion to population, Targovishte reports the fifth highest proportion of losses in the transport of water in the country. There are no major water sources in the region, and water rationing is a frequent practice. The water supply problem is particularly serious in Omurtag Municipality, where repeated attempts were made to complete the project for replacement of the water supply system. Popovo Municipality, on the other hand, is one of the Bulgarian municipalities with the fastest growing infrastructure due to the better absorption of EU funds.

Demography

Over the period 2001-2011, the population of the district has decreased by almost 15%. Targovishte is one of the least urbanised districts in the country, and by the end of 2011, only 54% of the population was living in urban areas. The only districts with less concentration of the population in cities are Silistra, Razgrad, and Kardzhali.

In 2001 , District was one of the 12 districts in the country where the number of persons under 14 years of age was greater than the number of those 65 and older. Despite the negative rate of natural increase of the population in the district, the ratio of young to elderly people is still within the country average. Over the last

few years, Targovishte has also registered clear trend towards the gradual deterioration of the age structure of local population. Compared to 2001, the number of people over 65 years has increased by 35 percentage points over that of young people up to 14 years. In other words, while in 2001, there were 97 elderly people to every 100 children, already in 2011, there are 132 senior citizens to 100 children.

In addition to the negative natural increase, the demography of the district was further deteriorated by the negative rate of net migration. Over the entire period the number of people who emigrated from the district (mostly moving to Varna, Veliko Tarnovo, Ruse, and Sofia) far exceeds the number of immigrants. The population density to the area of settlements in the area is about 20 per cent lower than the national average.

Education

Two out of five schools in the area were closed during the period 2001-2011. These developments ware accompanied by a faster reduction in the number of students compared to that of teachers, so that relative to the number of students, the number of teachers in primary and secondary education remains one of the highest in the country.

The grade scores from matriculation exams in Bulgarian language and literature over the past 5 years show that the quality of secondary education in the district is among the lowest in the country. In 2009, 2010, and 2011, respectively 13%, 11% and 9% of the students in the district scored below the lowest „pass" grade, and in each separate year, the results were the worst in the country.

The enrolment rate of the population in Grades 5 through 8 is one of the highest in the country. School dropouts as a percentage of all students were 4.29%, that is nearly two times higher than the national average of 2.4%. In 2010, this rate was only higher in Sliven (4.91%).

There are no universities in Targovishte, and the proportion of people with tertiary education in the district is only 13.1%, significantly below the national average (23.3%).

Healthcare

When comparing the indicators in the field of healthcare for Targovishte District and the national average, we should note the low baselines starting points for the district at the beginning of the period 2001-2011. Although in recent years there has been a trend of improved performance in most areas, the district's lagging behind the average for the country is still significant.

In 2010, each GP had an average of 2,182 on his patient list; this ratio is nearly 40% worse than the national average. The shortage of specialist doctors in the district has a negative impact on healthcare services. Targovishte is one of the cities with the largest increase in the number of patients who sought hospital treatment; over the period 2001-2011, their number increased by 63%. Two new hospitals opened in the district between 2004 and 2011, bringing the total number to five.

Despite all shortcomings, three of four citizens of the district gave high marks to the quality of health services. According to respondents, the level of corruption in hospitals in the district is extremely low. Nearly 80 per cent indicated that they had used health services in the previous 12 months, but only 1% had been forced to make informal payments for health services. Only 7% of respondents had to travel outside the district in order to receive the necessary health services.

Environment

The emissions of harmful substances in the atmosphere increased sharply in 2006, almost tripling within the scope of just one year, due to the newly started glass industry in the district. However, relative to the area, harmful emissions remain below the national average level.

In 2010, slightly more than half the population of the district (51.6%), was living in areas with access to public sewerage. Lower proportions were reported in only five districts in the country: Silistra, Razgrad, Lovech, Kardzhali and Vidin. Compared to the national average of 70%, all these districts are lagging behind significantly. Currently there is only one wastewater treatment plant, that is quite inadequate to cover the needs of the district. In 2012, two new facilities were under construction.

The amount of waste collected per population served remained below average for most of the past 10 years, and it only exceeded it in 2009. Local residents covered by the survey gave relatively high marks to environmental quality.

Social Environment

Targovishte and Lovech are the districts with the highest percentage of people living in households with low intensity of economic activity. Two out of three residents of the district fall into the group of people living in material deprivation. The proportion of people living below the poverty line has remained slightly below the national average; one in five residents is poor. Despite the low levels of income and standard of living in the district, the majority of local residents declared satisfaction with most aspects of their lives.

The way local institutions operate is relatively highly appreciated by citizens. Local law enforcement, schools, and hospitals enjoy a very high level of confidence. The performance rating of the district and municipal administrations is lower, and the worst rated are the district divisions of the various central government bodies. In proportion to the number of the local population, the number of reported crimes remains lower than the national average. Around 15% of local residents would relocate to another district if given the opportunity.

Haskovo

GDP per capita, current prices, BGN (2009)	5136
Population (2011)	245232
Employment rate of the population over 15 years (2011)	39,5
Area (sq. km.)	5533,3

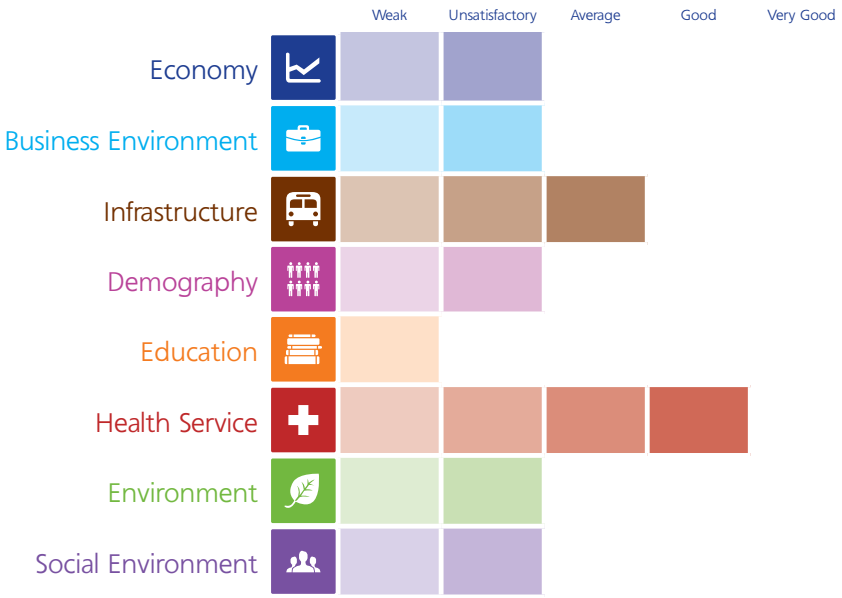
Overview

The district of Haskovo is located in South-Central Bulgaria. In addition to the district centre of Haskovo, it includes 261 populated areas in 11 municipalities: Haskovo, Dimitrovgrad, Svilengrad, Lyubimets, Harmanli, Madjarovo, Simeonovgrad, Ivaylovgrad, Topolovgrad, Mineralni Bani, and Stambolovo.

The demographic and economic developments in the district are largely interconnected: the high levels of age dependency, low economic activity, shrinking employment and poverty. The rather unfavourable business environment and problems in education further complicate the economic development.

The good geographical location and relatively diverse sectoral structure of the economy, including the increasing number of small businesses speak of certain potential. The big challenge remains attracting foreign investment and better absorption of EU funds.

According to the survey, citizens' life satisfaction is mainly the result of decent education, housing, and the environment. Health, quality of jobs and social life also contribute somewhat to local residents' satisfaction.



Economy

Gross domestic product per capita in Haskovo district is relatively low compared to the country average, the difference with the capital city of Sofia almost quadruple. Over the years, employment has traditionally run about average, but in 2011, there was a very serious downturn, with the employment rate in the labour force dropping below 40%. This decrease in employment of more than 6 percentage points was unprecedented for the country within just one year. The loss of jobs resulted in high unemployment, reaching nearly 16%.

Despite the negative labour market trends in recent years, local incomes are not very far from the national average. The problems in employment and new jobs, however, also impacted household incomes. Over the last 2-3 years there has been an increase in the number of companies, suggesting activity by small businesses, providing opportunities for employment and long-term development.

Machine building for the food industry is a major part of local economy; this is an area with long traditions in the district. Other strong sectors are textiles, the chemical industry and the manufacture of food, beverages and tobacco products. The slump in the construction industry in recent years poses a serious problem for the local economy as it drags behind other related sectors. There is also a pronounced shortage of appropriately trained staff, that creates problems for existing companies.

At the end of 2011, EU funds paid to the municipalities in the district under the operational programmes were less than EUR 17 million, that is below the national average and very far behind Gabrovo and Vratsa. Foreign direct investment is also very low compared to other districts, although there are some success stories (e.g. in the textile industry). Most companies working in the district are Bulgarian, showing the proactiveness and enterprise of local businesses. The prevalence of companies financed from Bulgarian investment gives the district a slightly different profile; it is not so much dependent on foreign investment as on the potential of local small and medium enterprises.

Business Environment

Local taxes in municipalities in the Haskovo district are relatively high, particularly in terms of real estate tax, license tax and household waste collection charges. The highest property tax (non-residential) for companies is in the municipality of Madjarovo - 3 per mil, and the highest charge on household waste is in Svilengrad - 20 per mil. Local taxes in the district centre of Haskovo are among the highest compared to other major cities in the country.

Despite the high taxes, the level of corruption is about average, and informal payments are most often made in public procurement.

Administrative services of municipalities continue to be a challenge. According to feedback from municipalities themselves, the level of provision of electronic services is, in the best cases, „two-way communication" (the third level of four possible) while one-stop-shop services are mostly at the „developing" stage (second out of four possible). The ratings given to local e-services are comparable to the national average, but it is worth noting that half of the respondents had used some type of electronic service, that sits relatively well against the country average.

Infrastructure

The density of the road network in the district is close the national average. The proximity of the Trakia Highway is a plus, and the construction of the Maritsa Highway is of paramount importance for the towns and villages in the district (it is expected to be completed in mid-2013). The density of railways is about average, although railway transport is in decline in the district centre (Haskovo).

There are two border crossings in the district: one into Greece and one into Turkey, with the traffic to and from Turkey playing a major role in the district's development.

In recent years, there have been fewer losses in the water supply infrastructure. Relative to the population losses, have been below the national average, the levels comparable to those in Gabrovo and Montana.

The business survey shows that infrastructure has been identified as a problem by local companies. Citizens, too, are not entirely satisfied with the infrastructure, notably with the transport and communications, and this is one of the reasons for dissatisfaction.

Demography

Over the period 2001 - 2011, the population of Haskovo District has decreased by nearly 11%. The decline in population is due to the persistent processes forming the rate of natural increase, that is negative, while net emigration became a problem only in the last few years. People leaving the district mostly relocate to Plovdiv, Sofia, and Stara Zagora; emigration abroad is not as common as in other districts. Each year, approximately

2,300-2,400 new babies are born, most of them, as can be expected, in the cities and bigger towns. The birth rate is lower compared to other districts in the region (for example Plovdiv and Sofia), but higher than areas in the North and North Central regions.

Over 70% of the population live in urbanised areas, that is relatively high compared to most other districts. In 2011, there was an additional movement of people in the direction of the cities. The age dependency ratio is higher than the country average, with the population aged over 65 being 50% more than the population aged 14 years or younger. The working age population (15-64 yrs.) was nearly three times the population aged over 65 years, that is close to the national average.

Education

Over the period 2001-2011, the number of students in the Haskovo District decreased by more than 10 thousand, that means a decline of nearly 30%. The decrease logically leads to fewer schools - from 126 in 2001 to 87 in 2011, and a major decline in the number of teaching staff: from nearly 3 thousand to about 2 thousand in the same period. Such processes are typical for most districts, and generally follow the national trends. A cause for much greater concern is the relatively high percentage of school dropouts: more than 3% per cent of all students.

The grade scores from the matriculation exam in Bulgarian language and literature in 2012 were lower than the national average (4.08 on average for the district), with over 8% failed students (that is, students who received a score below 3), that is relatively high when compared to the country average. The scores from the final exam in Bulgarian language and literature in 2012 were worse than in previous years; this process is valid for the entire country.

There is no university in the district. Higher education institutions are represented only by a branch of the Trakia University (College of Medicine) and the Regional Centre for Distance Learning with the University of National and World Economy.

The proportion of population with tertiary education has increased over the years, and in 2010 nearly 20% of the population aged 20-64 had tertiary education. However, businesses have difficulty finding qualified staff, that means that both the quality of knowledge and the skills to apply such knowledge in practice are still problematic.

Healthcare

The district has 11 hospitals; relative to the population, this is normal for the country. The number of patients who sought hospital treatment in the district is relatively small when compared to the national average: 190 per 1,000 people in 2011. The number of patients is considerably smaller only in Dobrich, Pernik, Vidin, and Shumen. Persons with valid health insurance in the district are 88% of the population, that corresponds to the national average. Doctors in the district relative to the population are relatively less than the country average. This applies to both general practitioners and cardiologists.

Problems related to the organisation and financing of healthcare are common in this district, too. One in four citizens, who had used health services in the last 12 months, said he/she had been forced to make an unofficial payments. One in four said that he/she had to travel outside the district for such services.

Environment

The district is characterized by relatively high emissions of harmful substances into the atmosphere, but still far from the biggest polluters (Stara Zagora, Varna, and Sofia). Municipal waste collected per capita declined in recent years, but still remains at levels above the national average.

Nearly 70 % of the population live in areas with public sewerage systems, that is close to the national average. Official figures for 2010 indicate the absence of operational wastewater treatment plants (public services). In 2012, three of these were under construction, plus another two for potable water, that is expected to significantly improve the environmental situation in the district.

The survey among citizens shows they are relatively satisfied with the environment (nature, water, air) in the district, and their perception of the quality of environment is better than that of other aspects of their lives such as security, health, infrastructure, employment, and social life.

Social Environment

In 2010, one in two local residents lived in material deprivation, that is, was struggling to meet his/her basic needs. The proportion of the poor was 20%, or one in five was below the poverty line. The figures are close to the country average; the major cause of poverty is the low employment, i.e. the relatively large proportion of households with so-called „low intensity of economic activity."

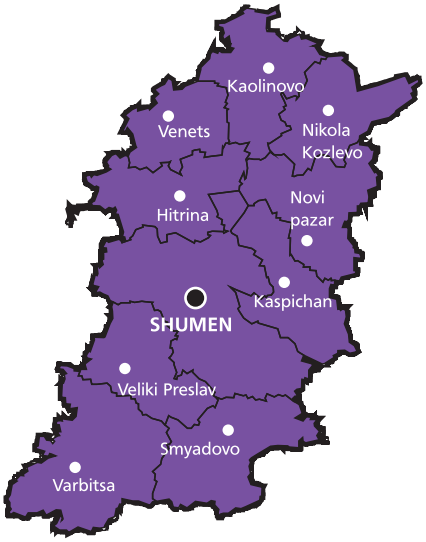
Over the past few years there has been an increase in crimes against the person and property, but the district remains one of the safest in the country, after the undisputed leaders Smolyan and Kardzhali. Despite the relatively low crime levels, however, citizens are not very satisfied with their security at home and in the street. According to the survey, citizens' life satisfaction is mainly the result of decent education, housing, and the environment. Health, work and social life also have rather a positive effect on life satisfaction. At the other extreme, dissatisfaction with life is mostly due to the low income levels and resulting limited consumption.

Corruption perceptions in the district also bring some interesting information. Local residents reported their perception of high levels of corruption in the judiciary and hospitals, while in relation to schools, corruption perceptions are much lower. This is reflected in the marks given to the performance of institutions: high for schools, but low for hospitals and the judiciary.

When asked whether they would permanently relocate to another district, one in four people replied in the affirmative. However, nearly 60% stated categorically that they did not wish to move to another district. From the data available and the results of the survey, it is evident that the district's problems stem from the economy. The major challenges include employment and income levels, as they are crucial to the satisfaction of local people and developing the social environment.

Shumen

GDP per capita, current prices, BGN (2009)	5335
Population (2011)	180188
Employment rate of the population over 15 years (2011)	42,3
Area (sq. km.)	3389,7

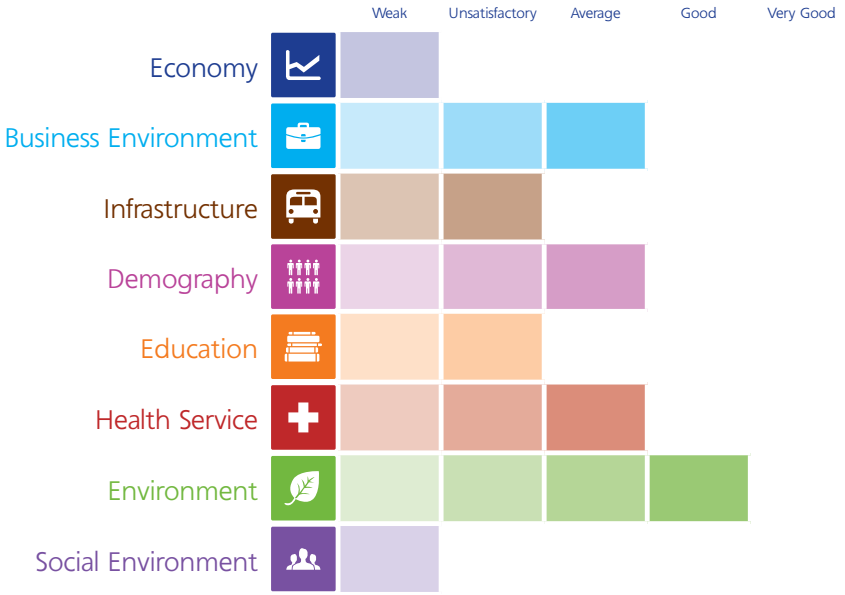


Overview

The district of Shumen is located in the central part of North-Eastern Bulgaria. In addition to the town of Shumen, the district centre, covering 150 populated areas in 10 municipalities: Veliki Preslav, Venets, Varbitsa, Kaolinovo, Kaspichan, Nikola Kozlevo, Novi Pazar, Smyadovo, Hitrino, and Shumen.

Shumen District is characterized by relatively good demography and a clean environment. The district covers the national average indicators in the „Healthcare" and „Business Environment" categories. At the same time, the standard of living of the local population remains below the national average, and in the period after 2008, the economic environment is characterized by high unemployment and a significant decrease of foreign direct investment.

Economic activity is concentrated in several of the larger municipalities located along the Hemus Highway. In addition to the significantly deteriorated economic situation in later years, the district faces the challenges of the inadequate education level of the local population and the underdeveloped infrastructure.



Economy

The district is characterised by an unemployment rate high for the country; at the end of 2011, one out of every four people of working age were jobless, although they actively sought and were ready to take up employment. Employment in the district is about 3-4 percentage points lower than the national average. In 2011, the employment rate for people over 15 was about 42%. The gross domestic product per capita was approximately 4 times lower than in the capital city and about 40 per cent lower than the national average, ranking the district among those with living standards below the national average. The average income per household member in 2010, as an indicator of the standard of living, was also about 12% lower than the national average. The investment activity in the district, judging by the amount of investment in fixed assets per capita, fell sharply after 2007, then continued to decline, albeit at a slower pace. At the same time, the profitability of sales of businesses in 2010 returned to levels similar to those prior to the crisis, showing rising profits for companies that continued operating in the district. Economic activity in the district is concentrated in the municipalities of Shumen, Kaspichan, Novi Pazar, and Veliki Preslav.

By the end of 2011, municipal administrations had absorbed over EUR 20 million under EU operational programmes. Shumen lags behind in attracting foreign direct investment. Over the period 2008-2010, the volume of foreign capital into the district shrank to half its previous amount.

Business Environment

Among the key factors that have a negative impact on the business environment in the district according to local businesses, is the underdeveloped infrastructure, shortage of qualified labour, and the reduced domestic consumption. The local judiciary is among the lowest rated in the country, with over 40% of respondents who had been party to litigation in the district expressing doubts about the impartiality of judicial decisions, and more than 60% uncertain of the integrity of the judiciary.

The majority of municipalities in Shumen provide only the most basic administrative services electronically; two-way communication with businesses and citizens is only possible Smyadovo, Novi Pazar, and Shumen. The municipalities of Preslav and Smyadovo said they were quite prepared to provide one-stop-shop services, but overall the service is still gaining popularity. Despite the relatively low prevalence and popularity of electronic services in local government (only one out of four respondents said they had used such services) the level of satisfaction of businesses is relatively high.

Most local taxes are close to the country average. The district's advantage is that in most municipalities the rate for annual license tax for retail and the fee for use of industrial goods' markets are lower than those in the rest of the country.

Infrastructure

The district has a well-developed road and rail infrastructure, with the density of the road network and railways above the national average. However, neither local businesses nor citizens in the district rated infrastructure as a factor having a positive impact on their life and operations. The low proportion of the population with Internet access continues to be a problem. At the end of 2011, only 33% of households had access. About 43% of those aged between 16 and 74 years used the Internet in 2011.

Shumen is one of the few districts in the country where the volume of water fed into the water supply system increased in 2010 compared to 2007. By 2010, the volume of water increased by more than 2 million cubic metres, with a more significant increase only reported in Sliven. Between 2008 and 2010, losses in the transport of water in public water supply and irrigation systems shrank by over 40%. However, relative to population, losses in the transport of water remained above average for the country.

Demography

Over the period 2001 - 2011, the population of Shumen District has decreased by 11.6%. However, the demography in the district is relatively favourable in comparison with the rest of the country, due mainly to the age structure of the population. Although the proportion of younger to elderly people in the district is deteriorating, this process is developing at a slower pace than in many other districts.

At the end of 2011, to every 4 people aged up to 14 years, there were about 5 people over the age of 65. At the same time, the working age population is nearly four times larger than that of the elderly over 65 years. On both indicators, Shumen is performing better than the national average. Over the period 2001-2011, the rate of natural increase and net emigration remained stable. Although both indicators continued to be negative during almost the entire period, Shumen is among the districts that have the lowest negative net migration and rate of natural increase.

About 63% of the population live in urban areas, indicating a low degree of urbanisation of the district. Shumen remained one of the most sparsely populated areas in the country in 2010, with just under 1,000 people for every square kilometre.

Education

Education indicators place Shumen at a level close to but still below the national average. In line with trends throughout the country, both the number of teachers and students in primary and secondary education decreased by about 30% over the last decade. Since 2001, 54 out of a total of 128 schools were closed in the district. More than half of them were closed in 2007 and 2008 as a result of the abovementioned decrease of the number of students in the district.

The scores from the mandatory matriculation exam in Bulgarian language and literature in 2011 showed that the quality of secondary education in one of the lowest in the country. The average grade from the matriculation exam in 2012 was 3.98; only school leavers in Razgrad (3.88) and Targovishte (3.91) performed worse. In the same year, 10.6% of the students who sat for the exam achieved an average score below 3.00, that is, failed the exam. This high proportion of fails is the second worst result for 2011, after Razgrad District, that is at the bottom of the chart, with 12.1% failed the exam. A major problem is that the proportion of failed students in Shumen district doubled in just one year, from 5.11% in 2010 to over 10% in 2011.

The net enrolment rate of the population in Grades 5 through 8 in 2011 was about 85.7%, that is above average for the country. The percentage of repeaters and the percentage of school dropouts is close to the national average, 0.9% and 2.4%, respectively. In the period from 2006 to 2011, the number of students in the district decreased by nearly 15%. By end 2011, 18.8% of the population of the district had tertiary education.

Healthcare

The number of hospitals in the district remained unchanged for the past ten years despite the gradual shrinking of the population. In 2011, approximately 90% of the population of the district had valid health insurance. The number of GPs had been declining until 2006, and then began to rise again. At the same time, the number of specialist doctors in recent years remained unchanged. One exception are specialists in internal medicine, whose number has more than halved in the past eight years. The shortage of specialist doctors in the district is confirmed by field studies conducted, according to which one-third of the people who used medical services had to leave the district to receive the necessary care.

The ratio of specialist physicians in the district to the number of population remains below the national average, due to the fact that no new hospitals have been opened in the last year, and the relatively low morbidity in the district. As compared to 2001, about 16% more patients sought hospital treatment in 2011, against the national average increase of nearly 60%. Nevertheless, local residents rated relatively highly the performance of hospitals compared with the opinion of residents in other districts.

Environment

The positive environmental indicators are due to the amount of municipal waste collected and the design capacity of the waste water treatment plants. In 2010, the municipal waste collected per population served was also below the national average: 259 kg per person per year. Shumen is one of the districts with the lowest emissions of harmful substances into the country. The average daily design capacity of waste water treatment plants in the district is nearly 60% higher than the national average. Four new facilities are currently under construction: three wastewater and one potable water treatment installation, which will further improve the environmental situation in the district. A major problem in the district is the low percentage of the population living in areas with access to public sewerage. In 2010, only 59% of the population had access to sanitation at an average ratio of 70% for the country.

Social Environment

In 2009, nearly half the population of the district qualified as living in material deprivation, and one in four people was living below the relative poverty line for the district. In the same year, about 8% of people in the district were living in households with a low intensity of economic activity.

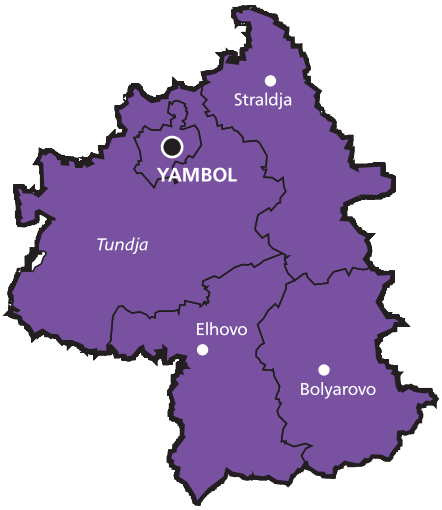
Residents of the district emphasised as major problems the low standard of living, the lack of opportunities for a good education and career development. From among institutions, the local community appears to give the lowest possible level of confidence to regional offices of government structures, and the judiciary.

Life in the district is relatively quiet, that is confirmed by the relatively low number of registered crimes. Relative

to the number of the local population, the number of registered crimes against the person and property is about one-third below the national average. For the period 2000-2010, the number of reported crimes in the area has fallen by over 30%. Nearly 9% of surveyed residents said that they would leave it, given a chance, that ranks the district among those with the lowest percentage of potential emigrants.

Yambol

GDP per capita, current prices, BGN (2009)	5150
Population (2011)	130806
Employment rate of the population over 15 years (2011)	44,5
Area (sq. km.)	3355,5



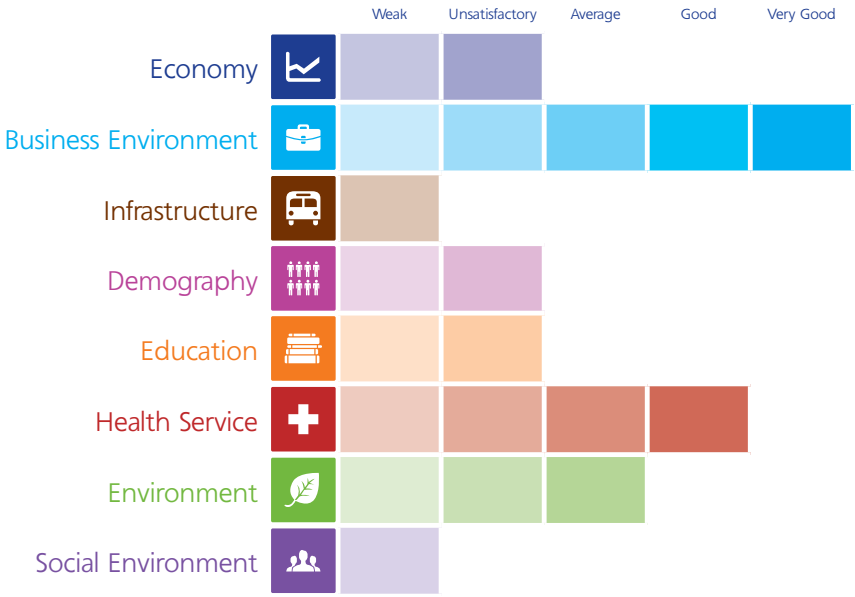
Overview

The district of Yambol is situated in South-Eastern Bulgaria. The district consists of 5 municipalities with 109 populated areas: Yambol, Bolyarovo, Elhovo, Strandja, and Tundja.

Demographic trends in the district over the years have been very negative: the significant population decline was caused by negative trends in both the rate of natural increase and net migration. The deteriorating demography is both the cause and the consequence of the economic weaknesses and the unconvincing economic activity in the district.

Employment is relatively high for the district, and has picked up in the last year. However, there is a very high objective (absolute) poverty in the district, and a relatively uneven distribution of income. These factors also explain the dissatisfaction of citizens with living conditions, the state of security, and infrastructure.

The business environment in the district is relatively favourable: local taxes are low, but administrative services are not well developed. The low usage and the type of services speak of a lagging development of electronic services.



Economy

Gross domestic product per capita in Yambol District is relatively low for the country. The employment rate of the labour force, however, has been relatively high over the years: from 50% in the „good" years (2007-2008) to nearly 45% in 2011. However, the negative impact of the crisis was felt strongly in 2009-2010: the unemployment rate doubled, and poverty increased. In 2011, there was already a partial recovery in terms of new jobs, that was not typical for the country.

Typical of the district is the high concentration of economic activities in the town of Yambol, with its development crucial for the whole district. A large proportion of workers in the district are employed in the industrial sector, the leading industries being textile, food and beverage, and machine-building.

An increase in the number of enterprises was reported in recent years. Foreign investment is generally scarce, but still on the increase in recent years: the biggest investment was Japanese, in the field of automotive electrical equipment (cable sets). Some larger foreign investments in Yambol and Sliven support employment and incomes in the region.

Municipal administrations in the district have been doing relatively well in the absorption of EU funds; by the end of 2011, the money disbursed funds under operational programmes was in the excess of BGN 21 million. Relative to the population, these funds are significant compared to the overall performance for the country.

Business Environment

Local taxes and charges in municipalities are below the national average: taxes on property and household waste have been at relatively low rates. In the town of Yambol itself, local taxes are not very high, the household waste charge is among the lowest in the country.

The business community's opinion on corruption in the district is positive, showing low levels of corruption when compared to the national average. Informal payments are infrequent, and the rating on this count is one of the best in the country. These perceptions are reflected in businesses' opinion on the performance and interaction with the local authorities, that is relatively high as well.

The administrative services with municipalities, however, are underdeveloped. According to feedback from municipalities themselves, the level of provision of electronic services is at the „one-way communication" level, while one-stop-shop services are mostly at the „developing" stage. Businesses' ratings on the quality of e-services are relatively high, yet only one in six companies had used such services in the past year, mostly for downloading forms or sending documents electronically. The low usage and the type of services speak of a lagging development of electronic services.

Infrastructure

The density of the road network in the district is about average for the country, but unevenly distributed, namely with high concentration in the northern part of the district and impeded accessibility to border areas. The construction of the Trakia Highway is a key project for the district and particularly for the town of Yambol, but more investment is required for roads in the south, too. The density of railway lines is below the national average, but still railway connections are good through the Sofia-Plovdiv-Burgas line.

Yambol suffers from significant losses of water in the supply infrastructure: relative to the population, losses are higher only in Pazardzhik. Over the years, there have been sporadic tensions between different communities over water, the large losses and non-payment of water in certain neighbourhoods being the source of this tension.

The business survey shows that infrastructure is seen as an obstacle to development. Citizens also find the infrastructure inadequate, and this is the leading cause of dissatisfaction among the population.

Demography

Over the period 2001 - 2011, the population of the Yambol District has decreased by over 15%, a significant percentage compared to the country average. The district is characterised by high negative levels of both natural increase and net migration. The movement of people is usually in the direction of Sofia and Burgas: only in 2010, more than 1,000 people migrated from Yambol to these districts. In 2011, outward movement to other districts generally subsided, as did migration abroad.

Nearly 70% of the population live in urbanised areas, that is relatively high compared to most other districts. In 2011, there was an additional movement of people in the direction of the cities, that is a tendency characteristic of the entire country. The age dependency ratio ranks above the national average. The population aged over 65 is 50% more than the population aged below 14. In 2011, the population of working age (15-64) was nearly three times the population aged over 65 years.

Education

Over the period 2001-2011, the number of students in the Yambol district decreased by nearly 7 thousand, a drop of over 30%. This logically leads to fewer schools: from 74 in 2001 to 46 in 2011, and a serious decline in the number of teaching staff, by more than a third.

Yambol is characterized by relatively few teachers relative to the number of students. There are 73 teachers to 1,000 students: similar values were observed only in Sliven and Burgas. A relatively high percentage of school dropouts has been reported: about 2.8 per cent of students in 2010. The percentage of repeaters also relatively high for the district (1 per cent).

The score grades from the matriculation exam in Bulgarian language and literature in 2012 were among the lowest in the country (4.06 for the district). The proportion of failed students, i.e. those scoring less than 3, sharply increased in recent years and in 2012 already exceeded 10%. Except for the Yambol district, such negative processes were only observed in Razgrad.

There is no university in the district, but there is a department of the Trakia University in Stara Zagora. The percentage of university graduates in Yambol stays about the country average: approximately 20% of the population aged 25-64 has tertiary education.

Healthcare

The indicators on patients who sought hospital treatment in the district are at levels lower than the national average: 191 per 1,000 population in 2011. Yambol is one of the districts with the most cardiologists (sharing this position with Sofia, Varna and Pleven), relative to the population, but this favourable ratio doesn't apply to doctors in other specialties. For example, the number of GPs is about average for the country.

Hospitals in Yambol are relatively few compared to all other districts in Southern Bulgaria. The number of persons with valid health insurance in the district has been increasing in recent years, and in 2011, already exceeded 90% of the population, that is above the national average.

Informal payments for health are not as wide-spread as in other districts, but still they do occur. One in six citizens who had used medical services in the last 12 months responded he/she had made such payments. One in three however said that he/she had to travel outside the district for health services. The latter indicates that problems with the quality of health services in the district should not be overlooked.

Environment

The district has relatively low emissions of harmful substances into the atmosphere, despite some growth in recent years. The household waste per capita have reduced over the past years and are already among the lowest for the country: they are lower for instance in Montana, Razgrad, and Kardzhali.

Nearly 70% of the population live in areas with public sewerage systems, that is close to the national average. The capacity (water volume) of existing wastewater treatment plants (public services) is low, that indicates the need for investment in this field.

The survey among local citizens shows that they are quite satisfied with the environment (nature, water, air) in the district, although other factors seem to contribute more to their life satisfaction.

Social Environment

In 2010, nearly 75 per cent of the population of Yambol District lived in material deprivation, that is, had difficulty meeting their basic needs. On this negative indicator, the district is significantly ahead of all other districts, the national average being less than 50% of the population. The proportion of the poor in this period was 21%, or one in five was below the poverty line. This means that there is very high poverty in the district, but also a relatively uneven distribution of income: this is indicated by the „Gini coefficient" and the ratio of the richest households' income to that of the poorest.

There has been a certain increase in the number of crimes against the person and property; the district is considered one of the least secure in the country. More crimes relative to the population were registered only in Sofia (capital city), Sofia District, Burgas, Vratsa. Most citizens do not feel safe at home and in the street.

According to the survey, citizens' life satisfaction is mainly the result of decent education, housing, and social life. Health and the environment also have rather a positive effect on life satisfaction. At the other extreme is the dissatisfaction provoked by low income, infrastructure, the lack of employment or working conditions, and security.

There is a definite public perception of a high level of corruption, and this applies to almost all major institutions: community, courts, police, hospitals, etc. Only schools are perceived as less vulnerable to such practices. All of this is reflected in the marks given to the performance of institutions: high for schools and lower for hospitals

and the administration.
When asked whether they would like to relocate permanently to another district, only a small portion of citizens replied in the affirmative. The majority of citizens (nearly 2/3) have no desire to relocate to another district. Based on the figures on poverty, security and general life satisfaction in the district, these results are somewhat conflicting and may find their explanation in the negative effects of the economic crisis and fewer job opportunities in large cities and abroad.

Methodology

Subject Matter, Spatial And Temporal Scope of the Survey

The subject of the publication „Regional Profiles" is the comparative analysis of districts in Bulgaria. The analysis covers the entire country and is based on data about the last twelve years for which data are available on separate indicators within the scope of the study. The information used in the analysis of districts and the compilation of regional profiles, included official statistical data and the data from specialized research by June 30, 2012. Any data published after that date were not included in the analysis.

Sources of Information

The information required for the development and regular updating of the publication „Regional Profiles" is provided from two main sources - official statistics and information produced by a special study conducted for the purpose.

A major source of official statistics is the National Statistical System, and in particular the National Statistical Institute (NSI). Another part of the necessary information is provided by information systems of the National Social Security Institute (NSSI), the National Health Insurance Fund (NHIF), National Centre for Public Health and Analyses (NCPHA), the Ministry of Education, Youth and Science (MEYS), the National Revenue Agency (NRA) and others.

To secure additional statistical information needed for the regional profiles, an independent study was conducted at municipal level. The aim is to ensure information that cannot be provided by existing public or other sources for a variety of reasons - it is not generated, it is not up-to-date, it is outside the confidentiality requirements for statistical information, etc.

The design of the study covers three types of respondents: businesses, households and municipal administration; specialised information gathering tools were developed for each group of respondents:

- A structured questionnaire for businesses: for local businesses and to provide information about the difficulties in dealing with local administrations, perceived corruption, and an evaluation of the business environment.
- A structured questionnaire for households: providing information on the level of confidence in institutions and perceptions of corruption in key local institutions, and citizens' satisfaction with various aspects of life.
- A questionnaire for municipal administration: providing information about local taxes, and assessments of the degree of e-service provision and the stages of preparedness for the „one stop shop" concept.

Stochastic samples were designed for businesses and separates for the purpose of the study. The survey of municipalities is comprehensive and covers all 264 municipalities. The questionnaires addressed to the municipal administrations were sent to municipalities in the form of a request for access to information under the Access to Public Information Act.

Methodological Approach

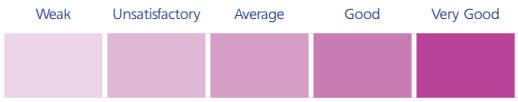
The fundamental principles on which the method is based are as follows:

1. Regional profiles are compiled separately and independently in two aspects of analysis: in statics and dynamics, then these results are summarized in a single snapshot;
2. The manner of presentation of the results is not through ranking (ranging) of the districts but by forming and analysing typical characteristic groups of districts;
3. Using a combination of one-dimensional, complex measures and multi-dimensional methods for regional comparisons, that allows to largely overcome the shortcomings of one-dimensional and complex measures, and to take advantage of the multidimensional methods;
4. Use of one of the most up-to-date methods for regional comparisons, neural networks, to form and visualise the typical groups of regions (clusters);
5. Application of reliability analysis in the formation of the system of indicators;
6. Implementation analysis and assessment of the relative importance of indicators (indicator groups) informing the results and regional profiles.
7. The selection of indicators and their entry into the system is based on four main groups of arguments: benchmarking, semantic reasoning, information provision and analysis of empirical data;
8. Use of formal and legally established terms, classifications, nomenclatures etc.;
9. Use of relative proportions, ratios etc. in presenting and applying the indicators, rather than their absolute values, in order to ensure comparability between regions;
10. Normalisation of indicators in order to eliminate the negative effects of scale, scales of measurement, etc.

Grouping the Districts and Baseline Year for the Static Analysis

According to the static analysis of indicators in each category, the performance of districts is rated using the five-point scale from „weak" (lowest level) to „very good" (highest level).

Graph 1:
Five-Tier Scale for Assessment of District Performance in Each Category



In order to ensure the precise measurement of the performance of each district, in separate groups of indicators, an approach was adopted in which the static analysis is done according to a pre-selected baseline year. Usually this is the year of the most extensive statistical information available. Due to the slower pace of collection, processing and publication of regional statistics, 2010 was selected as the baseline year for this study. The positioning of the districts in one of the five scale levels is performed based on the results of the district for the year and its relative performance compared to other districts.

It should be noted that more recent or older data have been used in the analysis of some indicators. In most cases this is due to the absence or delayed publication of statistical information on the baseline year. Where post-2010 data is available for certain indicators, this is mentioned and discussed in the accompanying analysis.

Types of Regional Profiles: Clustering

The methodological approaches used for regional comparisons can be summarised in three main types using:

1. One-dimensional measurements
2. Comprehensive measurements
3. Multivariate techniques (in particular neural networks)

This methodology has adopted the approach of a combination of the three, allowing on the one hand, to largely overcome the shortcomings of one-dimensional and comprehensive measurements, and on the other - to take advantage of the multivariate techniques.

All indicators are normalised by calculating the so-called regional index.

For each group of the system of indicators to evaluate the regional profiles, the so called complex dimension is calculated, with the following characteristics:

Ensure comparability of districts in dynamics.

Its values are „cantered" around the country average. The districts with positive values of the complex dimension are above the national average, and those with a negative complex dimension are below it.

In the variance adjustment procedure, the distances (ratios) between the districts on separate indicators are preserved, ensuring undistorted grades when calculating the complex dimension.

At the final stage of applying the combined approach, the summary result for all indicator groups and all districts is represented by forming and visualising clusters using neural networks in statics and dynamics.

The methodology envisages that, through neural networks, typical groups (clusters) of districts would be formed and outlined, having specific characteristics both in statics and in dynamics, such as:

Districts with good economic, but deteriorated demographic or environmental conditions;

Districts with good condition on given indicators, but whose development is slowed down;

Districts in poor condition, but with a tendency of dynamic improvements, etc.

On the other hand, the capabilities of neural networks are also to be used for multivariate analysis of regional development, characterized by the direction, speed and sustainability of development.

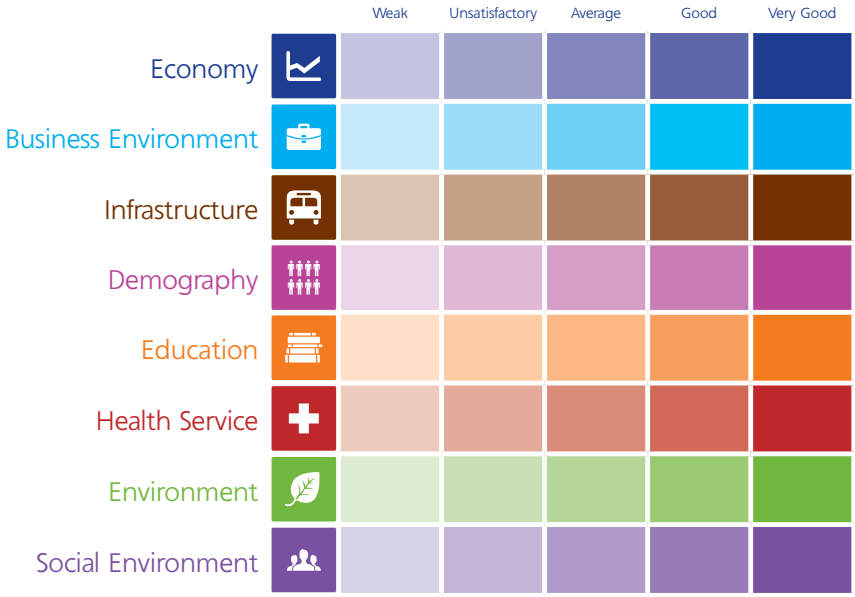
System of Indicators

The selection of indicators and linking them into a system based on both their relevance to each separate category (such as economy, education, etc.) and their interconnections and dynamics. A key argument for the selection of indicators is the availability, accessibility and frequency of publication of data on the social and economic development of the districts.

The result is a system formed of 8 groups of indicators characterizing socio-economic situation and development of the districts.

Each group is composed of a set of indicators that give a real idea of the status and dynamics of development of the area. The total number of indicators used in the methodology of the study was 57.

Below is the summary table including all indicators integrated in the system of 8 groups, algorithms for their calculation, and measurement units.



Economy

Economic indicators are one of the leading groups of indicators that describe the level of development of a given district. „Economic indicators" are understood as macroeconomic indicators such as gross domestic product, employment and unemployment rate, and indicators describing local business - demography of local businesses and investments.

Indicator	Description	Period	Unit of measurement	Source
Gross domestic product (GDP) per capita	This indicator measures the standard of living in the district and the degree of development of the local economy. The higher GDP per capita the district has, the more indicative this is of a strong local economy and a higher standard of living for local residents.	2000-2009	BGN /per capita	NSI
Unemployment rate of the population aged 15+ (annual average)	Low levels of unemployment in a district are the sign of a vibrant and job-creating local economic environment.	2001-2011	%	NSI
Employment rate of the population aged 15+ (annual average)	The employment rate is a leading indicator of the labour market showing what proportion of the working age population is actually employed.	2001-2011	%	NSI
Average annual income per household member	The indicator shows the general welfare and living standards of the local population. For the purposes of this study, we used the total income, including cash income (salary and wages, pensions, social benefits, transfers from other households, proceeds from sales, etc.). and valued in-kind income.	2001-2011	income (BGN) / per member of household	NSI
Number of non-financial companies per 1,000 people	The indicator shows the viability of the local economy in terms of availability of a sufficient number of small and medium-sized enterprises. The presumption is that a high number of enterprises is mainly caused by a high proportion of small and medium enterprises (SMEs). The large number of SMEs generally ensures greater diversification and hence resistance to shocks to the local economy.	2000-2010	number of enterprises /1,000 population	NSI
Expenditures for acquisition of fixed tangible assets per 1,000 people	The level of expenditure for acquisition of fixed tangible assets (FTA) per capita in the district indicates the level of investment that in turn is indicative of how local companies see the prospects of their business endeavours.	2000-2010	BGN/1,000 people	NSI
Foreign direct investment in non-financial enterprises,per capita (cumulative)	Both the expenditures for TFA and the indicator of foreign direct investment (FDI) in nonfinancial enterprises shows the flow of investment to the district and its attractiveness to investors - in this case, foreign investors.	2000-2010	EUR/per capita	NSI
Return on sales	The assumption behind the inclusion of this indicator is as follows: the higher the profitability of companies' sales is in a given district, the more attractive this district is for investment and business start-up.	2001-2010	%	NSI
Utilisation of EU operational program funds per capita	The high rate of utilisation of EU funds under Bulgaria's operational programs creates preconditions for the improvement of regional competitiveness. It is an indicator of the good performance of local administrations, as well as their ability and willingness to improve living and business conditions with the help of EU funds.	05.12.2011	EUR/per capita	Ministry of Finance

Business Environment

The category „Business Environment" includes indicators forming largely the characteristics of the local environment for doing business. The indicators are based on both objective data (levels of local taxes and charges) and an independent survey of companies.

Indicator	Description	Period	Unit of measurement	Source
Assessment of the performance of local adminstration	The indicator shows the extent of businesses experiencing difficulty working with the local administration. It evaluates various aspects of the work of local administration, such as clarity of requirements and speed of service.	May, 2012	Rating: 1 to 5	Survey among business representatives
Bribery/unofficial payments	The indicator shows the evaluation of local businesses on how often companies have to make informal payments to institutions such as municipal administration, the tax administration, and the courts.	May, 2012	Rating: 1 to 5	Survey among business representatives
Judicial system assessment	The prompt and efficient functioning of the judiciary and business confidence in its competence and impartiality are essential for ensuring a favourable business environment. This indicator presents the evaluation of local businesses for these characteristics of the local courts.	May, 2012	Rating: 1 to 5	Survey among business representatives
Quality of local government e-services	This indicator presents the degree and scope of provision of electronic services by the local administration and the stage of preparedness to provide "one stop shop" service, and businesses' evaluation of the quality of services provided.	May, 2012	Rating: 1 to 5	Survey among business representatives
Corruption perception	This indicator shows the corruption perceptions of local businesses and their confidence in the various local institutions (municipality, district authorities, courts) and the local offices of central government.	May, 2012	Rating: 1 to 5	Survey among business representatives
Immovable property tax for legal entities	Property taxes are the biggest source of own revenue for municipalities. Regarding the business environment and the burden on businesses, the property taxation of companies plays a major role.	2008-2012	per mil (‰)	Application for access to information under the Access to Public Information Act
Vehicle tax (commercial and passenger vehicles, 74 kW to 110 kW)	Taxation on vehicles is another major source of revenue for municipalities. This type of tax is a burden mainly on small companies, because the power of vehicles has been chosen so as to be most relevant for such companies.	2008-2012	BGN/kW	Application for access to information under the Access to Public Information Act
Annual license tax for retailers (up to 100 sq.m. of retail space - for most favourable location of the site)	License tax is a different type of taxation from those mentioned above, and is a burden on particular businesses. License tax for retail trade is selected as the most common and recognizable.	2008-2012	BGN./sq.m	Application for access to information under the Access to Public Information Act
Annual waste collection charge for properties of legal entities	The charge on waste collection is one of the largest sources of own revenue for municipalities, comparable with the revenue from taxes on real estate. The charge on waste is often a heavy burden on businesses, and the differences between various populated areas / municipalities are great.	2000-2012	per mil (‰)	Application for access to information under the Access to Public Information Act
Fee for use of industrial goods' markets per day	The fee for using industrial goods' markets is a burden on trade and is taken as indicative of the level of charges on this type of economic activity: trade in industrial goods was chosen as having a leading role, when compared to trade in agricultural goods.	2000-2012	BGN./sq.m per day	Application for access to information under the Access to Public Information Act

Infrastructure

Infrastructure is key to the development of each region and is relevant to both the economic and the social aspects of local population's life. Infrastructure development largely determines the competitive advantages of each region.

Indicator	Description	Period	Unit of measurement	Source
Road network density	The road density indicator measures the total length of highways and roads (first, second and third class) relative to the area of the respective district. The republican road network is essential for the transport of passengers and goods in the country. The indicator does not cover streets in urban areas.	2000-2010	length of the road network km/100 sq. km. of area	NSI
Railway network density	This indicator represents all railway lines between stations or places indicated as independent points of departure and arrival of trains carrying passengers and cargo. It excludes the urban railway lines. The greater the density of the rail network in the region, the easier the transportation of passengers and cargo is.	2000-2010	length of railways in km/100 sq. km of area	NSI
Relative share of households with Internet access	Household access to the Internet is indicative of the penetration of new information and communication technologies in the country's districts.	2004; 2006-2011	%	NSI
Relative share of people (aged 16 to 74) that have used Internet in the past 12 months	Along with Internet access, the data on the number of people who actually used the Internet during the previous year shows the penetration and utilization of new technologies in the country's regions. The object of the study were those aged between 16 and 74 years.	2004; 2006-2011	%	NSI
Water losses during transportation	The data characterizes the quality of the water supply infrastructure in the district and the efficiency in the transport of water for household and commercial purposes.	2006-2010	million cubic metres /year/10,000 people	NSI

Demography

The indicators in the „Demography" group characterise the number, composition and basic structure of the population and its dynamics. The source of data for all indicators in the „Demography" group is the current demographic statistics of the National Statistical Institute (NSI). The current analysis uses data for the period.

Indicator	Description	Period	Unit of measurement	Source
Age dependency ratio (65+ to 0-14)	The indicator shows the relationship between the traditionally inactive labour market groups (less than 15 years and over 65 years). A larger proportion of people aged below 15 years outlines a trend for the future reduction of the average age of the population in the district.	2001-2011	%	NSI
Age dependency ratio (65+ to 15-64)	The age dependency ratio shows the ratio of those aged over 65 years who are mostly inactive, and those of working age. The higher age dependency ratio indicates a deterioration of the age structure of the population affecting the labour market, economic growth, etc.	2001-2011	%	NSI
Share of urban population	The share of urban population provides information about the degree of urbanisation of the district and the concentration of population in major cities.	2001-2011	%	NSI
Population density relative to the area of the settlements and other urban areas	This density indicator gives information about the number of people per unit area. Density is influenced by changes in the urban areas and the process of urbanisation of the population due to its rate of natural increase and net migration flows.	2001-2011	number of persons / 1 sq. km	NSI
Rate of natural increase	The rate of natural increase is the difference between the number of registered live births and the number of deaths during the year. The rate of natural increase shows the increase or decrease of the population of the region per 1,000 people; a positive rate is considered a favourable demographic indicator.	2001-2011	‰	NSI
Net migration rate	The net migration rate shows an increase or decrease of the population per 1,000 people due to migration. The ratios are calculated based on data of the number of persons who have changed their usual residence over the period. Net migration is the difference between immigrants and emigrants to/from a given territorial unit.	2001-2011	‰	NSI

Education

The indicators in the ‚Education' group characterise the structural security, intensity, level and quality of education in different districts of the country. The sources of data for the indicators are given in the description of the indicators. In the current analysis, we used data from school year 2000/2001 to school year 2011/2012, except if specifically indicated otherwise.

Indicator	Description	Period	Unit of measurement	Source
Number of students at colleges and universities per thousand people	The indicator includes students in universities, colleges and specialised higher education schools, but does not include students in vocational training after high school. The presence of a large number of students in any district increases its attractiveness and has a positive impact on the local economy.	2000-2011	number of university students /1,000 people	NSI
Number of teachers at primary and secondary education per student	The number of teachers to the number of students in a given district is a standard indicator for measuring the quality and accessibility of education.	2000-2011	number of teachers /number of students	NSI
Number of people per school	The indicator provides information on the availability of educational facilities in a given district.	2001-2011	population /number of schools	NSI
Net enrolment rate of the population (grades 5th through 8th)	The net enrolment rate of the population is calculated as a percentage of number of students in the respective stage of education in age groups relative to the number of population in the same age groups, calculated as of December 31 of the respective year. The number of students in primary and secondary education is established by October 1 of the respective year. The selection of grades 5 through 8 is based on the fact that this is the lowest educational stage, that registers a relatively lower coverage of the education system.	2007-2011	%	NSI
Share of dropouts from primary and secondary education	The share of dropouts from primary and secondary education shows the number of students who prematurely left school that year. The low percentage of dropouts from primary and secondary education is a sign of a well-developed educational system and a better socio-economic environment.	2001-2011	%	NSI
Relative share of the population aged 25-64 with tertiary education	The high share of population with tertiary education in a district creates conditions for increasing its competitiveness, productivity and economic growth.	2004-2010	%	NSI
Relative share of repeaters	The proportion of repeaters shows the number of students who were enrolled in the same grade for a second year in a row. This indicator shows the quality of educational institutions, at least in terms of their ability to create optimal learning conditions.	2011	%	NSI
Average grades at state matriculation exams	A high grade score from the matriculation exams in Bulgarian language and literature is a sign of high quality of secondary education. Despite the varying levels of difficulty of matriculation exams over the years, their results are comparable across districts.	2007-2011	average grade score	Ministry of Education, Youth and Science
Percent of failed students at state matriculation exams	A high percentage of students who passed the matriculation exams in Bulgarian language and literature is a sign of high quality of secondary education. Despite the varying levels of difficulty of matriculation exams over the years, their results are comparable across districts.	2007-2011	%	Ministry of Education, Youth and Science

Healthcare

Indicators in „Healthcare" characterise the accessibility and quality of healthcare services provided in separate districts, and the health of the population. The facilities and staff required for the proper functioning of the health system and its workload are important factors that play a significant role in the development of demographic processes and the social environment in each district.

Indicator	Description	Period	Unit of measurement	Source
Hospitals for in-patient care per 100,000 people	The indicator measures the number of hospitalsper 100,000 people in different districts and does not include the facilities and beds with other departments that are not allocated to districts and statistical areas. Although hospitals are not directly related to the servicing of the population of a given area, their accessibility and availability in a district is evidence of better performance and capacity of the health system.	2000-2011	hospitals /100,000 people	NSI
Number of people per general practitioner	GPs are usually the first point of contact in the healthcare system. The indicator on the number of people serviced by one general practitioner shows both the availability of medical staff relative to the population and the workload of doctors.	2001-2011	population / number of general practitioners	NSI
Number of people per specialist in Internal Medicine	The proportion of physicians specialised in "Internal Medicine" relative to the population shows scope and level of specialisation of health services provided in the district, given the high rate of incidence of diseases that are related to this speciality.	2001-2011	population / number of specialists	NSI
Number of people per specialist in Cardiology	The proportion of physicians specialised in "Cardiology" relative to the population shows scope and level of specialisation of health services provided in the district, given the high rate of incidence of diseases that are related to this speciality.	2001-2011	population / number of specialists	NSI
Cases of hospitalisation per 1,000 people	This indicator provides information on the morbidity of the local population, the workload of local hospitals and the quality of services. For the purposes of the study, however, this indicator is used to measure the level of morbidity in the district: the higher its value is, the higher morbidity is in the respective district.	2001-2011	hospitalised cases/1,000 population	NSI
Health insured persons as share of the population	The share of persons with health insurance shows the accessibility of health services in the district; it can be used to assess the health status of the population.	2001-2011	%	NRA (request for access to information under the Access to Public Information Act)
Tuberculosis (TB) prevalence	This indicator includes reported cases of the disease, including newly registered cases during the year.	2001-2011	number of registered cases / 1,000 population	NSI

Environment

Environmental indicators were included in the study as part of a broader set of indicators that describe the state of development of the districts in terms of living conditions such as health, education, and social environment.

Indicator	Description	Period	Unit of measurement	Source
Emissions of carbon dioxide per sq. km. of the territory	The emissions of harmful substances into the atmosphere per square kilometre show how the atmosphere in the area is polluted by human activity. For the purposes of analysis, only carbon dioxide emissions were taken into account, as being in the largest volume, and at the same time - most indicative of harmful emissions. Districts with high air pollution are less attractive in terms of living conditions.	2001-2008; 2010	tonnes of carbon dioxide /1 sq. km. of area	NSI
Household waste collected per capita of serviced population	The amount of collected household waste is a standard measurement for the cleanliness of the environment. Since very little household waste in Bulgaria is being recycled, composted or otherwise utilised, for the purpose of the study we have accepted that the higher this indicator is, the greater danger it presents to the environment in that district.	2001-2010	kg person/ yr.	NSI
Project capacity of operational water treatment plants for waste water	The availability of wastewater treatment plants suggests lower environmental pollution from sewage, and higher utilisation of the water resources. The higher the aggregate capacity of existing treatment plants is in a given district, the cleaner its environment should be.	2006-2010	thousand cubic metres / day / per 10,000 persons	NSI
Share of population living in settlements with public sewerage systems	The indicator shows the percentage of residents in a district who live in areas with public sewerage systems. The coverage of public sewerage has impact on both the social and the environmental characteristics of the regions.	2006-2010	%	NSI

Social Environment

Indicators in the „Social Environment" category reflect the quality of life in the district. This group of indicators is closest to people's daily lives and combines both objective indicators and the subjective assessment of people's quality of life. The data from the questionnaire were obtained as a result of the survey of citizens conducted in May 2012.

Indicator	Description	Period	Unit of measurement	Source
Crimes against the person and property	The indicator shows registered crimes against the person and property relative to 1,000 people. Officially recorded crime does not always represent the actual level of crimes committed in the district, but provides a good basis for evaluation and comparison between districts.	2000-2010	number of criminal offences /1,000 people	NSI, Ministry of Interior
Useful floor living area in urban and rural dwellings	The useful floor area per capita is an indicator directly linked to people's lifestyles: as such, it has mostly social aspects, but it is shaped by economic realities. The indicator is the sum of residential and auxiliary areas, as well as kitchen areas in square metres, relative to the population of the district.	2001-2010	sq.m / person	NSI
Relative share of population living in households with low work intensity	These are people aged 0-59 and living in households where adults worked less than 20 per cent of their work potential during the preceding year.	2007-2009	%	NSI
Relative share of population living in material deprivation	This is a subjective indicator based on surveys of households on specific indicators of material deprivation. There are nine indicators, according to the European standard questionnaire, related to difficulties in meeting the costs of housing, ownership of a car or a washing machine, meat consumption, restrictions on heating, etc. A person is defined as living in material deprivation if experiencing deprivation on four of these nine indicators.	2007-2009	%	NSI
Relative share of people living below the district's poverty line	These are people with an equivalent disposable income below the so-called "poverty line", that is set at 60% of the national (in this case regional) median equivalent disposable income. All three indicators of poverty are classic indicators used by Bulgarian and European statistics.	2007-2009	%	NSI
Assessment of the performance of local institutions	The views of local residents about the quality of work of local institutions (district administration, municipal administration, law enforcement, courts, etc.) have a direct impact on their satisfaction with life and desire to continue living in the district.	2012	Rating: 1 to 5	Survey among citizens
Life satisfaction	The indicator is based on citizens' evaluation of different aspects of social life such as the standard of living, opportunities for career development, education, healthy life in a cleaner environment, etc.	2012	Rating: 1 to 5	Survey among citizens

Economy

District/Indicator	Gross domestic product (GDP) per capita (2009), BGN	Unemployment rate of the population aged 15+, annual average (2011)	Employment rate of the population aged 15+, annual average (2011)	Average annual income per household member, BGN (2011)	Number of non-financial companies per 1,000 people (2010)	Expenditures for acquisition of fixed tangible assets, BGN thousand (2010)	Foreign direct investment in non-financial enterprises, cumulative, EUR thousand (2010)	Return on sales, %	Utilisation of EU operational program funds per capita, EUR thousand (as of 5.12.2011)
Blagoevgrad	6 032	8,3	53,8	3 225	50	342 999	251 985,20	3,97	44 464 409
Burgas	8 064	12,6	44,5	3 374	63	860 061	1 622 748,50	0,26	72 290 123
Varna	9 613	10,3	46,5	3 739	71	1 119 557	1 531 539,30	3,02	60 786 586
Veliko Tarnovo	5 716	11,7	41,4	3 648	40	267 898	67 211,50	5,31	27 529 546
Vidin	4 879	20,4	33,6	3 052	33	52 647	33 369,10	2,21	6 042 728
Vratsa	6 979	8,9	40,1	3 395	33	372 632	178 759,40	8,40	46 999 983
Gabrovo	7 322	9,7	42,5	3 351	48	106 972	225 165,90	4,66	37 767 910
Dobrich	5 377	17,9	42,2	2 994	47	385 387	301 906,20	9,06	13 390 001
Kardzhali	5 076	5,1	39,2	3 002	31	70 589	67 859,40	4,95	31 027 617
Kyustendil	5 316	14,7	42,8	3 534	39	82 799	16 046,40	2,82	8 359 754
Lovech	5 784	11,5	40,5	2 825	39	134 797	121 997,60	2,77	37 325 154
Montana	5 006	13,6	38,1	2 961	32	103 405	24 652,60	6,86	13 555 372
Pazardzhik	5 390	17,4	44,2	2 972	38	263 158	335 732,50	13,53	24 162 685
Pernik	5 316	7,7	46,0	4 473	38	127 510	240 797,60	1,91	32 565 699
Pleven	5 142	12,2	39,6	3 902	35	304 732	153 363,30	5,12	18 080 154
Plovdiv	7 291	8,9	46,2	3 657	51	1 205 169	1 118 325,30	3,86	43 397 357
Razgrad	4 960	20,6	38,9	2 753	33	87 169	145 437,70	9,06	19 317 279
Ruse	6 987	12,0	44,2	4 071	47	347 785	363 261,70	2,10	10 281 915
Silistra	4 505	13,2	38,3	2 589	32	93 456	14 831,30	7,20	15 835 149
Sliven	4 603	17,0	41,4	3 605	36	186 275	468 443,50	3,15	13 817 639
Smolyan	6 235	23,8	42,3	4 180	47	106 394	70 434,40	1,01	21 153 735
Sofia (capital)	21 386	6,0	55,7	5 438	85	7 607 931	12 466 818,50	1,99	43 605 594
Sofia	9 574	9,6	44,9	3 156	37	547 301	1 319 848,60	4,03	26 664 618
Stara Zagora	9 207	6,6	45,1	4 184	43	880 638	573 532,90	4,04	13 905 766
Targovishte	5 056	12,6	45,4	2 695	31	117 354	180 850,90	7,88	23 610 880
Haskovo	5 136	16,1	39,5	3 708	46	169 555	66 708,90	3,54	17 278 534
Shumen	5 335	26,7	42,3	3 427	38	151 748	88 626,80	4,87	20 067 254
Yambol	5 150	14,3	44,5	3 602	43	122 351	64 191,30	3,90	21 596 429

Infrastructure

District/Indicator	Road network density, length of the road network km/100 sq. km. of area (2010)	Railway network density, length of railways in km/100 sq. km of area (2010)	Relative share of households with Internet access, % (2011)	Relative share of people (aged 16 to 74) that have used Internet in the past 12 months, % (2011)	Water losses during transportation, million cubic metres/year/10,000 people (2010)
Blagoevgrad	10,3	2,4	42,3	49,5	19,62
Burgas	15,1	2,4	47,3	42,7	36,23
Varna	18,6	5,1	40,1	53,6	48,49
Veliko Tarnovo	20,1	5,1	45,0	47,1	61,12
Vidin	20,1	3,3	46,6	51,8	3,86
Vratsa	17,6	3,1	34,5	55,2	17,89
Gabrovo	24,9	3,7	39,8	46,5	8,65
Dobrich	17,5	1,3	36,2	43,8	30,97
Kardzhali	19,3	2,1	29,7	40,6	5,24
Kyustendil	18,9	4,3	35,2	24,2	15,44
Lovech	18,1	2,7	30,3	38,2	8,79
Montana	16,6	3,2	29,0	41,9	10,12
Pazardzhik	16,6	4,2	38,7	43,1	132,62
Pernik	22,8	4,6	35,0	46,1	10,55
Pleven	17,0	4,4	35,8	44,6	15,45
Plovdiv	17,1	5,4	47,5	38,9	124,94
Razgrad	19,0	3,5	42,2	52,1	10,49
Ruse	18,3	5,7	43,2	51,0	9,21
Silistra	17,8	2,5	40,0	44,9	5,58
Sliven	15,3	3,6	36,5	43,0	51,72
Smolyan	16,9	0,0	31,3	38,1	4,47
Sofia (capital)	0,0	15,0	67,0	78,7	117,47
Sofia	21,0	4,2	48,7	40,5	13,34
Stara Zagora	16,7	5,1	40,4	54,0	76,16
Targovishte	20,4	2,7	24,3	46,9	24,81
Haskovo	19,5	3,6	41,3	29,0	17,31
Shumen	17,9	4,6	33,7	42,9	30,21
Yambol	17,8	2,9	40,7	35,2	62,28

Demography

District/ ndicator	Annual average number of the population (2011)	Age dependency ratio: 65+ to 0-14, % (2011)	Age dependency ratio: 65+ to 15-64, % (2011)	Share of urban population, % (2011)	Population density relative to the area of the settlements and other urban areas, number of persons / 1 sq. km (2010)	Rate of natural increase, ‰ (2011)	Net migration rate, ‰ (2011)
Blagoevgrad	322 878	116,5	23,5	59,2	2 451	-2,1	-3,2
Burgas	415 458	111,1	23,9	74,8	2 306	-3,0	0,7
Varna	474 574	114,2	23,7	83,6	1 796	-1,5	0,5
Veliko Tarnovo	257 560	173,9	30,4	69,4	1 234	-7,9	-2,0
Vidin	100 344	216,5	41,7	63,4	1 090	-15,2	-1,9
Vratsa	185 877	158,9	32,5	58,8	930	-9,9	-3,2
Gabrovo	122 117	218,3	38,1	81,8	1 479	-9,7	-2,2
Dobrich	188 974	132,1	27,1	68,9	770	-5,7	-3,7
Kardzhali	152 474	123,1	24,9	41,5	1 906	-2,6	-3,5
Kyustendil	135 945	203,2	36,1	68,7	1 369	-10,8	-3,2
Lovech	140 597	181,1	37,8	62,2	1 020	-9,7	-4,1
Montana	147 133	184,4	37,7	63,9	1 088	-12,3	-3,2
Pazardzhik	274 801	124,2	26,7	62,2	2 381	-4,6	-2,5
Pernik	132 833	194,7	33,8	78,8	1 042	-11,3	-1,6
Pleven	268 493	175,7	35,5	66,5	1 315	-9,6	-2,5
Plovdiv	682 127	141,9	28,3	74,4	2 625	-3,8	0,2
Razgrad	124 471	131,0	26,4	47,3	994	-6,4	-7,9
Ruse	234 631	172,8	30,7	76,8	1 906	-8,1	0,8
Silistra	119 006	154,7	30,6	45,2	923	-7,7	-2,0
Sliven	197 177	99,2	26,4	66,1	2 903	-2,0	-2,8
Smolyan	121 157	156,1	25,8	54,8	2 121	-6,4	-5,4
Sofia (capital)	1 294 194	125,7	22,2	95,4	4 686	-1,1	4,8
Sofia	246 641	154,1	31,4	60,9	808	-8,2	0,1
Stara Zagora	332 340	144,5	30,0	71,5	1 651	-5,5	-1,6
Targovishte	120 420	132,1	28,3	54,0	1 244	-5,7	-3,7
Haskovo	245 232	154,8	30,9	72,2	1 181	-6,6	-4,0
Shumen	180 188	127,6	26,4	62,7	994	-4,8	-1,0
Yambol	130 806	152,6	32,9	69,7	1 255	-7,0	-4,4

Education

District/Indicator	Number of students at colleges and universities (2011)	Number of teachers at primary and secondary education (2011)	Number of students at primary and secondary education (2011)	Number of primary and secondary schools (2011)	Relative share of the population aged 25-64 with tertiary education, % (2010)	Net enrolment rate of the population - grades 5th through 8th, % (2011)	Relative share of repeaters, % (2011)	Share of dropouts from primary and secondary education, % (2010)	Percent of failed students at state matriculation exams, % (2012)	Average grades at state matriculation exams (2012)
Blagoevgrad	13592	2906	35425	136	15,9	84,5	0,39	1,30	5,4%	4,19
Burgas	11157	3337	44800	142	15,6	81,1	0,71	1,66	6,6%	4,11
Varna	34418	3707	49073	132	25,6	80,5	1,03	2,69	5,1%	4,22
Veliko Tarnovo	25854	2017	24954	103	23,0	82,3	0,74	3,32	6,2%	4,19
Vidin	0	814	9872	38	18,9	80,4	0,96	2,75	8,3%	4,14
Vratsa	429	1664	20513	78	20,0	85,6	0,92	3,19	6,3%	4,14
Gabrovo	5850	889	10946	40	24,2	79,5	0,96	2,25	4,7%	4,24
Dobrich	1114	1659	19776	86	17,9	83,4	2,14	3,70	3,2%	4,21
Kardzhali	994	1457	17008	82	10,3	83,0	0,32	1,79	4,2%	4,48
Kyustendil	0	1052	12680	49	17.2	81,3	0,86	1,94	8,0%	4,19
Lovech	268	1205	15084	61	21,6	82,0	1,11	3,44	3,6%	4,29
Montana	0	1312	15898	70	15,4	81,9	0,99	3,21	9,4%	4,10
Pazardzhik	0	2415	29797	123	15,2	83,1	1,21	3,25	6,8%	4,10
Pernik	195	984	12164	45	16,3	80,2	0,58	1,54	4,5%	4,12
Pleven	1678	2371	28824	118	17,5	83,5	0,85	2,85	8,0%	4,06
Plovdiv	42472	5319	69471	207	22,5	82,3	1,61	2,89	5,0%	4,29
Razgrad	294	1193	14305	65	12,1	84,9	0,70	3,42	12,1%	3,82
Ruse	9089	1863	23133	76	20,4	81,7	0,97	3,15	6,0%	4,11
Silistra	412	980	12282	50	13,1	81,6	0,37	2,75	5,1%	4,13
Sliven	710	1708	23110	78	18,4	75,5	1,20	4,91	6,5%	4,17
Smolyan	2396	1105	11337	67	17,2	85,3	0,28	0,28	5,6%	4,22
Sofia (capital)	110222	9634	117427	296	44,8	79,0	0,49	0,83	3,7%	4,32
Sofia	5778	1974	25392	107	13,1	81,5	1,36	2,07	2,1%	4,54
Stara Zagora	5103	2804	36162	134	19,3	82,4	1,24	2,15	3,9%	4,22
Targovishte	0	1131	13387	56	13,1	86,0	0,61	4,29	7,6%	4,00
Haskovo	0	1985	25865	87	19,4	82,3	1,12	3,16	8,4%	4,08
Shumen	7716	1708	20399	74	18,8	85,7	0,95	2,44	8,9%	4,00
Yambol	551	1048	14331	46	19,2	84,5	0,99	2,78	10,6%	4,06

Healthcare

District/Indicator	Number of hospitals for in-patient care (2011)	Number of people per general practitioner (2011)	Number of people per specialist in Internal Medicine (2011)	Number of people per specialist in Cardiology (2011)	Number of registered TB cases (2010)	Cases of hospitalisation per 1,000 people (2010)	Health insured persons as share of the population, % (2011)
Blagoevgrad	12	1631	6727	11958	376	198	87%
Burgas	19	1830	6924	14326	357	201	86%
Varna	16	1507	4996	5103	421	240	85%
Veliko Tarnovo	12	1694	6604	7575	257	204	84%
Vidin	2	1375	4778	10034	62	151	90%
Vratsa	14	1616	5311	8449	246	293	89%
Gabrovo	8	1508	4885	7632	144	267	94%
Dobrich	9	1369	10499	11116	217	148	87%
Kardzhali	6	2276	15247	12706	148	178	102%
Kyustendil	5	1478	6797	9063	238	285	92%
Lovech	7	1496	3270	8270	202	241	89%
Montana	5	1471	6688	11318	118	310	88%
Pazardzhik	13	1535	4432	12491	135	321	84%
Pernik	4	1563	3240	44278	87	140	89%
Pleven	12	1232	7257	3836	173	293	89%
Plovdiv	30	1461	5168	6201	1099	411	88%
Razgrad	3	2263	5658	20745	114	205	91%
Ruse	11	2005	7332	10665	173	240	89%
Silistra	3	1831	7438	19834	59	167	87%
Sliven	9	1776	9859	8216	165	249	86%
Smolyan	7	1573	8077	9320	80	232	91%
Sofia (capital)	59	1482	6439	4257	993	349	88%
Sofia	16	1701	4836	7254	287	297	86%
Stara Zagora	17	1414	5633	6782	326	253	91%
Targovishte	5	2041	8028	17203	38	270	88%
Haskovo	11	1582	9083	11678	132	190	88%
Shumen	7	1465	8580	11262	125	167	90%
Yambol	4	1615	6229	6540	50	191	90%

Environment

District/Indicator	Emissions of carbon dioxide, tonnes per sq. km. of the territory (2010)	Household waste collected per capita of serviced population, kg (2010)	Project capacity of operational water treatment plants for waste water, thousand cubic metres / day / per 10,000 persons (2010)	Share of population living in settlements with public sewerage systems, % (2010)
Blagoevgrad	23,3	401	1,1	72,5
Burgas	57,4	526	5,0	70,9
Varna	1 651,7	382	4,6	84,8
Veliko Tarnovo	189,5	534	2,3	62,8
Vidin	233,3	504	0,0	50,9
Vratsa	101,9	284	2,2	54,3
Gabrovo	36,3	368	7,0	83,4
Dobrich	16,0	625	5,3	67,7
Kardzhali	18,3	221	0,0	42,4
Kyustendil	763,5	392	4,8	67,6
Lovech	125,2	490	3,4	44,5
Montana	5,3	219	1,2	57,8
Pazardzhik	39,0	677	1,8	69,5
Pernik	267,3	1 344	5,3	76,3
Pleven	55,6	394	3,7	54,9
Plovdiv	97,8	467	3,0	70,3
Razgrad	31,7	221	3,5	40,8
Ruse	308,2	404	0,0	66,6
Silistra	15,5	291	0,0	45,9
Sliven	82,0	272	4,5	60,3
Smolyan	4,6	335	5,1	65,4
Sofia (capital)	1 262,9	282	3,8	94,3
Sofia	24,1	558	2,9	76,1
Stara Zagora	3 572,7	350	0,9	67,2
Targovishte	65,8	311	0,5	51,6
Haskovo	236,3	464	0,0	69,2
Shumen	24,4	259	4,7	59,7
Yambol	45,3	297	0,1	68,8

Social Environment

District/Indicator	Number of registered crimes against the person and property (2010)	Useful floor living area in urban and rural dwellings, sq.m / person (2010)	Relative share of population living in households with low work intensity, % (2009)	Relative share of population living in material deprivation, % (2009)	Relative share of people living below the district's poverty line, % (2009)
Blagoevgrad	5049	27,1	2,2	35,2	10,2
Burgas	9748	33,2	3,1	33,9	21,3
Varna	8691	32,3	5,5	48,9	21,6
Veliko Tarnovo	3707	34,3	12,2	66,7	24,2
Vidin	1874	44,0	10,9	44,3	29,3
Vratsa	4069	36,8	15,4	43,3	23,8
Gabrovo	2127	38,7	4,7	53,3	15,9
Dobrich	2880	32,1	9,1	34,1	21,4
Kardzhali	1131	36,4	4,0	69,2	12,4
Kyustendil	2277	37,9	6,9	61,8	13,1
Lovech	2167	41,0	20,5	65,4	23,9
Montana	2538	39,2	12,2	36,2	23,4
Pazardzhik	3490	28,8	6,1	52,8	23,0
Pernik	2006	43,6	9,6	52,2	17,2
Pleven	4580	34,0	10,5	44,3	21,8
Plovdiv	9689	28,8	6,7	46,8	14,5
Razgrad	1530	31,0	9,5	51,6	19,8
Ruse	3189	31,8	4,4	40,9	17,0
Silistra	1267	30,7	9,4	64,0	20,7
Sliven	2923	28,6	8,8	54,7	26,0
Smolyan	750	32,6	7,4	57,9	12,8
Sofia (capital)	31417	28,0	2,7	28,2	15,9
Sofia	5269	42,1	6,8	33,9	19,1
Stara Zagora	5787	31,5	10,2	55,5	24,2
Targovishte	1711	33,5	20,0	67,5	19,2
Haskovo	3380	32,8	11,7	50,8	20,3
Shumen	2210	30,2	8,0	47,6	26,3
Yambol	2556	33,3	8,9	74,6	21,1

References

1. Velichkova, N. „Statistical Methods for Studying and Forecasts for Development of Social & Economic Phenomena," Science and Art, Sofia, 1981
2. Dimov, N., Regional Sustainable Development in Bulgaria: Advantages, Limitations and Synergic Effects, publ. in a composite book: Euro-Integration and Sustainable Development, Fr. Ebert Foundation - Institute of Sociology, Bulgarian Academy of Sciences, East-West Publishing House, 2007
3. Dimov, N., Problems of Self-organization and Synergy of Regional Development in Bulgaria, publ. in a composite book: The Bulgarian Society Prior to Joining the European Union, the „Fr. Ebert „ Foundation - Institute of Sociology, Bulgarian Academy of Sciences, East-West Publishing House, Sofia, 2006
4. Dimov, N., Regional Sustainable Development: The Role of Economic Sectors in the Regional Planning, University of Economics, Varna, 2000
5. Dimov, N., On the Nature of Regional Efficiency in Industrial Manufacture, Bulgarian Geological Society, Sofia, 1989
6. Tzvetkov Al., Theoretical and Methodological Problems of Regional Statistical Comparisons. Dissertation work, Sofia, 2006
7. Tzvetkov Al., Multidimensional Analysis of Regional Development Through Neural Networks. Sofia: Statistics magazine, issue. 2, pp. 101-110, 2005
8. Tzvetkov, Al. , Bulgaria: Challenges of Poverty. Typology of Municipalities According to Measures of Poverty. Sofia: Ministry of Labour, NSI, 2005
9. Tzvetkov Al., Al. Kotsev Regional Comparisons and Spatial Analysis of Territorial Units Through Neural Networks and GIS. Sofia: Statistics magazine, issue. 5, pp. 55-73, 2004
10. Tzvetkov Al., Use of Mapping in Social Policies by Regions. Paper delivered at the seminar on Poverty Mapping, Bankia, 2005.
11. Tzvetkov Al., Opportunities for Categorization of Administration & Territorial Units (ATUs) and Territorial Units (Tus) Through Using Neural Networks and Cluster Analysis. Report delivered at the scientific & practical conference in „Categorization of ATUs and TUs", National Centre for Territorial Development (NCTD), 2002.
12. Methods of Categorization of Administrative & Territorial and Territorial Units of the Republic of Bulgaria. Sofia: Ministry of Regional Development and Public Works, 2004.
13. Rural Regions: Overcoming Development Disparities. Bulgaria. National Human Development Report 2003. Sofia: UNDP
14. Human Development Index: Municipalities in the Context of Districts. Bulgaria. National Human Development Report 2002. Sofia: UNDP
15. Citizen Participation in Governance: from Separates to Citizens Bulgaria. National Human Development Report 2001. Sofia: UNDP
16. Portrait of the Regions - Bulgaria. Volume 10. Sofia: NSI, 2001
17. SeparateBryden, J., Rural Development Indicators and Diversity in the European Union, paper presented at the Measuring Rural Diversity conference, 2002
18. European Regional and Urban Statistics. Reference Guide. 2005 Edition. European Communities.
19. Eurostat, Eurostat Regional Yearbook 2011, Luxembourg: Publications Office of the European Union, 2010
20. Kronthaler, F., A Study of the Competitiveness of Regions based on a Cluster Analysis: The Example of East Germany, Halle Institute for Economic Research, 2003
21. OECD, Governing Regional Development Policy: The Use of Performance Indicators, 2009
22. OECD, Programme for International Student Assessment: PISA Reports: 2000, 2003, 2006, 2009
23. UNDP, Human Development Report, 1990-2011 and Technical Notes, 2010
24. World Economic Forum, Global Competitiveness Report 2008-2009, Chapter 1.2: Moving to a New Global Competitiveness Index, 2008
25. World Economic Forum, Global Competitiveness Report 2008-2009, Chapter 1.2: Moving to a New Global Competitiveness Index, 2008

Regional Profiles:
Indicators of Development 2012

First edition

Paperback: 176 pages

Language: English

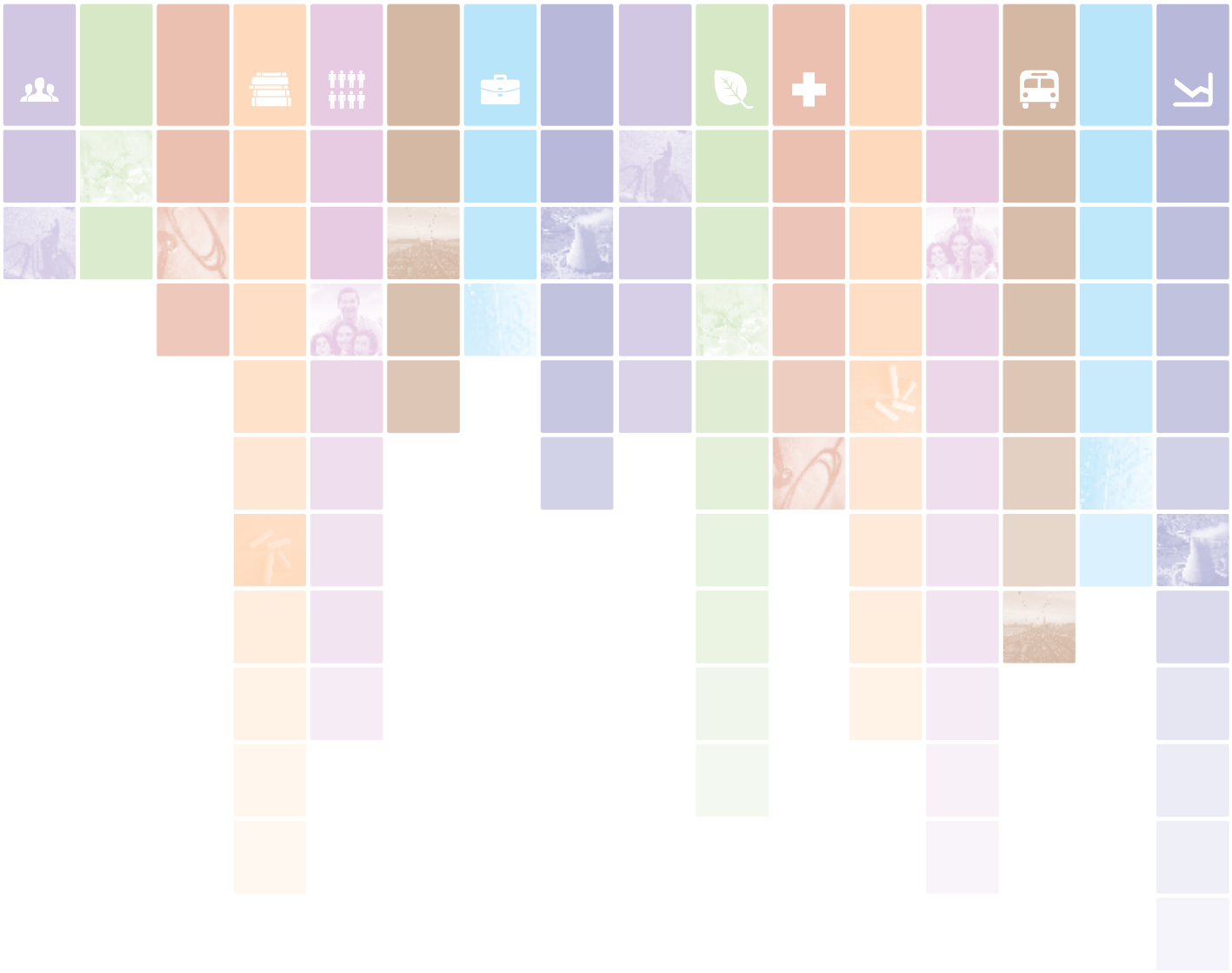
Publisher: Institute for Market Economics

Product Dimensions: 21 x 28 cm

Design and prepress: Neda Art Ltd.

Press: IFO Design Ltd.

ISBN 978-954-8624-31-2



IME
Institute For Market Economics

AMERICA FOR BULGARIA
FOUNDATION
Фондация Америка за България