



TENDENCIES AND PROSPECTS OF THE ECONOMICAL DEVELOPMENT OF RADNEVO MUNICIPALITY DURING THE PERIOD 2000 – 2008

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ABSTRACT

Economic processes in Radnevo municipality is characterized by stability and growth during the period of analysis.

The purpose of this study is to analyze the level and dynamics of indicators of economic development of Radnevo municipality and the structural changes in the regional economy. This goal requires implementing the following tasks: 1) Study of theoretical concepts for analyzing the regional economy, 2) Study of the tendencies in the regional economic development of the municipality Radnevo, 3) Study of the regional factors and conditions that determine the dynamics and structure of regional economy and its potential for development.

Through the findings of this study, the application of SWOT analysis is required to develop regional strategies and development plans.

Key words: economics, municipality Radnevo factors, development, SWOT analysis

INTRODUCTION

The Radnevo municipality is a dynamically developing municipality aiming towards an effective and competitive economics and high standard of living for all the population of the territory. The development of the municipality is connected to the challenge of achieving successful integration in the process of the European integration and to become an equal partner of the European municipalities and regions. In the analyzed period the economical processes in the Radnevo municipality are characterized as stable and positively growing.

The purpose of the present research is to analyze the level and the dynamics in the indicators of the economical development in the Radnevo municipality and the coming structural changes in the regional economics. The above mentioned purpose requires fulfillment of the following tasks: 1.) Research of theoretical concepts connected to the analysis of the regional economics. 2.) Research of the tendencies in the regional economical development of the Radnevo municipality. 3.) Research of territorial factors and conditions that determine the dynamics and the structure of the regional economics and the potential possibilities for development. In the use of the present research we used information and concepts for developing different sectors of the municipality. They were prepared by working groups in the municipal administration and with

the participation of the partners from the NGO sector.

1. General Characteristics of Radnevo municipality

The Radnevo municipality is situated in the east part of the Upper Thracian Plain and it falls into the administrative boundaries of district Stara Zagora. Its acreage is 545.15kv

The municipality has long term positions in the manufacturing of lignite. Its territory includes most of the Maritsa East coal basin and it is connected to the energy complex of Maritsa East. In the town the administrative building of the coal plant “Mini Maritsa East” EAD is situated. Its production is divided in three mines.

The administrative centre is the town Radnevo but in its structure 23 other locations are included.

The Radnevo municipality with its potential, parameters of the social economical development and demographic characteristics is one of the most dynamically developing municipalities in the district of Stara Zagora.

Geographical and administrative situation of the Radnevo municipality

The municipality is situated in the South-East Bulgaria and it is surrounded by the territories of the municipalities Stara Zagora, Nova

Zagora, Tundzha, Topolovgrad, Galabovo and Opan. The geographical situation of the municipality determines it to be one of the most important transport meeting points in South Bulgaria.

Territory and settlements

The town Radnevo is in the east part of the Upper Thracian Plain. It is the centre of the Radnevo municipality. The town is 32km further in the South-East direction from the district centre Stara Zagora. Until 1906 the settlement was called Radne Mahala. It is a town since 1964. On its territory there are 275 archaeological monuments discovered – 92 settlements, 5 settlement mounds, 114 tombs, 4 fortresses and ruins of the Roman road station Arzus. Its population is 13 721 people. The settlements on the territory of Radnevo municipality are 1 town and 23 villages.

Culture and traditions of the Radnevo municipality

The Radnevo municipality has rich cultural traditions whose roots could be found far back in the centuries. Nowadays these traditions are enriched, developed and they find their place and realization in the complete cultural life of the municipality. A leading role in its cultural image is the municipal cultural centre 'Noncho Vodenicharov' established in 1981 and formed as a place where people can have direct contact with the national cultural traditions and the contemporary achievements in the sphere of art. During the 13 years of its existence the archaeological museum 'Maritsa East' develops intensive activity. The municipal Art Gallery possesses contemporary equipped halls, repository and covered patio for small plastic arts.

In the rich cultural program of Radnevo town there are some leading events – The International Folklore Festival, The Wedding Music Festival 'Heritage' and the May Culture Days

2. Resources of the Radnevo municipality

2.1. Natural and climatic

The territory of the Radnevo municipality falls into the region of transitional continental climate with a light influence of the Mediterranean cyclones. The high temperatures and the insufficient rainfall in the summer and autumn enhance the impact and duration of the typical summer-autumn dry periods. The winter is mild and dry. No matter of the insufficient rainfall the climate conditions are good for developing of farming.

The most typical soils in the region are the black earth soils with powerful humus composition which are good for growing wheat, barley, maize and vegetable crops. The areas of fertile land in the municipality are comparatively smaller than these of the neighboring municipalities because of the development of mining. This is also a premise for violation of the ecological balance in this region. The basic water resource is the river Sazliyka whose flow is formed in the south slopes of Surnena Sredna Gora Mountain. All the rivers in this river system, inflows of the river Sazliyka are affected by the mining. The results of the analyses that are done show high content of nitrates and rigidity that means higher content of calcium and magnesium ions. In the villages Matsa and Troyanovo microorganisms are found in the river water that determines its inaptitude for drinking.

The spring waters of the town Radnevo and the villages Topolyane, Matsa, Gipsovo and Kovachevo are very close in its contents to the mineral waters. The rational use of the water resources is an important premise for the future stable development of the municipality.

The main wealth of the region is the great amount of lignite that could be found as reserves in the ground. They are mined in an open way over an area of 103kv². The deposit of lignite coal in the Radnevo municipality is included in the Maritsa East Coal Basin. The obtained coal is low-calorie coal with high contents of moisture, ash and sulfur. The natural building materials are represented by great amounts of gypsum. The gypsum deposit is a part of the Radnevo gypsum district that is situated between the rivers Sazliyka and Ovcharica. The deposit is used since 1931 and until the opening of the mine in the village of Koshava it was the only source of raw gypsum in Bulgaria. The river inert materials are obtained in quantities that are sufficient for the local needs and they could be found in some areas of the rivers Sazliyka and Blatnitsa.

Economically effective mining activity is fulfilled on the territory of that municipality. The annual realized yield of coal is 80% - 84% from the all amount of produced coal in Bulgaria.

In the settlement system there is special and constant care for preserving the forestry and livestock fund. The place is good for growing of oak, polish ash, maple, hornbeam, pine ant etc.

Every year the forestry fund of linden, maple, pine, sycamore, poplar, mulberry, fruit trees and shrubs is renewed.

In the meadow areas some natural grass plants can be found – clover, veronica and etc.

The protected areas are the flows of the rivers Blatnitsa, Ovcharitsa and Sazliyka and the forest near the village of Topolyane. They are in the list of the protected areas for preserving the natural habitats of the wildlife on the territory of Stara Zagora district and the region of the dam lake 'Ovcharitsa' that is situated very close to the Maritsa East 2 Power Plant. This territory is inhabited by protected types of water birds.

2.2. Human resource

The number of the population in this municipality is 22 940 people and only in the

town Radnevo live 14 429 people. There is a stable tendency for reducing the population - in the period 2000-2008 it reduced with 9.12%.

In 2008 the population of the villages is 37,11% from all the people living in the municipality but in the period 2000-2008 there is a tendency for reducing the number of people living in the villages. There is natural negative growth for years. Compared to the same in the region of Stara Zagora the Radnevo municipality has much more stronger negative natural growth.

In **Table 1** the change in the age structure of the population of the municipality for the period 2000-2007 is described:

Table 1. Age Structure of the Population in the Radnevo Municipality

Year	2000	2001	2002	2003	2004	2005	2006	2007	Change on the base 2000=100%
Total number of the population	25 158	24 117	23 788	23 836	23 433	22 988	22 711	22 940	- 9.1 %
Number of the population under the working age	4 192	3 958	3 808	3 656	3 459	3 279	3 181	3 693	- 13,51%
Number of the population in the working age	14 003	13 626	13 581	13 818	13 786	13 652	13 544	13 605	- 2,93 %
Number of the population over the working age	6 963	6 533	6 399	6 362	6 188	6 057	5 986	5 637	-6,52 %

From the information shown in the above table it becomes clear that the absolute number of the population in the working age is reducing. Also the average number of the active population in the villages is disturbingly low as compared to that of the town Radnevo. In the town the age structure is quite normal - 17% of the population is in the retiring age but this could not be said for any other settlement in the municipality. In all the villages deteriorated age structure is observed. The reasons for the strong urbanization are the eradication of some of the villages, the quick development of

industry, the advantages offered by the town as far as better work, possibilities for better education and qualification are concerned.

In the sphere of education the main priority in the municipality is enhancing of the educational system and creating of organizational and financial premises for developing of contemporary forms and methods of staff training. The tendency of reducing the birthrate will result is serious problems for the nurseries and schools in the

following years and changes in the system will be needed.

In the ethnical structure of the population the Bulgarians are the prevailing group. Self-determined as Romes are 6% of all the inhabitants. A serious problem for the municipality is improving of the living conditions of the Romes and their integration in the society. For solving the above mentioned problems the municipality is working on a program for integration of children and students from the ethnical minorities and a project for building social houses for Rome families in need that is financed by the Bank of Development by the Council of Europe.

In a great degree owing to the presence of the Maritsa East Plant and the production of electrical and thermal energy Radnevo is a leading factor in the boundaries of the local economics. One of the highest rates of efficiency in the energy sector is marked here and the region is expected to continue attracting investments in the future. All that activity aiming constant increasing of income together with greater and greater investments lead to intensive future development and improvement of the work resources in the Radnevo municipality.

2.3. Infrastructure.

Transport infrastructure

The road system surrounding the Town of Radnevo is very good developed. There are two transit roads that help passing the stock and international trucks and keep the town tranquil and clean.

Through the territory of the municipality the railway line № 83 from Nova Zagora to Simeonovgrad passes. The basic stations on this line are Radnevo and Galabovo. Until 2003 there were also passenger trains there but now the railway line is used only for the needs of the Maritsa East Complex factory.

The most important roads are in a good condition but the municipality road system needs a serious repair – a great deal of the roads is in a poor condition, there are a lot of off-roads and all this require serious investments in the sphere.

Energy infrastructure

The major source of electricity is the national electricity system. On the territory of the Radnevo municipality there are three

substations built – ‘Galabovo’, ‘Radnevo’ and ‘Trojanovo-West’ and they supply the electrical power needed for the municipality. All the settlements there are provided with electrical energy and the condition of the lines is good. The needs of the population are met by the electric power stations ‘Zagore’ and ‘Radnevo’.

Telecommunication and communication infrastructure

There are 13 post offices that serve the population of the municipality. They are all under the control of the Regional Post Office Radnevo ‘Bulgarian posts’ EAD. The technology unit ‘Telecommunications-Radnevo’ covers all the settlements in the municipality.

Water and sanitation

There is water and sanitation system developed in all the settlements of the municipality. The quality of the drinking water is good according to the Bulgarian State Standard 2823-75, but sometimes there are some deviations in the indicators for colour and turbidity. The drinking water in the central water supply for the villages of Matsa and Kovachevo it is proved that there is deviation in the norms for nitrates and stiffness – they are twice more that they should be. In the town of Radnevo there is a purification plant for the municipal and industrial wastewater built but it is quite outdated and inefficient so it is necessary to be replaced with a new one.

Some activities should be planned also for improving the condition of the water supply system in the municipality and for the building at some places and renovation of the already existing canalization in all the settlements so the living conditions there could be improved.

Disposal of garbage

All the villages on the territory of the municipality are included in the system of the organized disposal of garbage and its transportation. There is a regulated Landfill for municipal solid waste that has been used since 1972.

3. Tendencies in the development of the local economics in the Radnevo municipality

3.1. General sectors

The economical processes in the municipality are characterized with stability and growth in the last years. The most intense development in the recent years occurs in the sector of ‘Transport, storage and communications’ followed by the sector ‘Hotels and restaurants’. In the period

2000-2008 the Net Sales of the Companies – NSC working in the sector ‘Operations with Real estate, renting and business activities’ have increased. NSC in construction also grew quite rapidly. In the service sector there is extensive development of trade and repair services. With the development of the mining activities in the region the traditional sectors – light industry and agriculture has lost its position.

In comparison with other municipalities the manufacturing sector in Radnevo municipality is represented modestly no matter of the far larger opportunities of the local resource base. The municipality has a resource base for development of a number of facilities such as undertaking primary processing of cotton for the production of oil and mayonnaise, fodder factory, canning factory for fruit and vegetables, meat processing plant.

The natural conditions available in the Radnevo municipality are best suited for growing barley, wheat, sunflower, cotton and etc.. From the permanent crops the largest share is for of almond, vineyards, cherries and plum orchards.

The basis of the crop production is limited by the expansion of coal mining because the mines annually take more and more farmland. From the autumn crops are represented mainly wheat and barley.

Typical for livestock farming in the municipality of Radnevo is that it is developing entirely in private farms mainly for pigs, poultry and bee-keeping. The trends are to reduce livestock numbers because of the lack of interest among developers for the implementation of initiatives in this sphere.

3.2. Employment and Unemployment

The biggest group of unemployed remains the same and it is the group of people without either qualifications or experience. It is followed by these who were fired from the sector ‘Trade, repair of motor vehicles and household equipment’ and the ‘Construction’ sector. Data shows that the most significant is the number of the long-term unemployed women and young people under 29 years old. An important factor for the group is the unemployed person’s degree. The largest group of unemployed people is with basic, primary or lower education. The groups in risk from the unemployed in the labor market are the disabled workers, the Roma

people, the single parents, the mothers with children under 3 years old, people released from social institutions and others.

3.3. Salary

The average annual salary of employees with a working contract by economic sectors for the year 2008 in Radnevo municipality was 7250 lv. The majority of the population with high educational level is at the center of the municipality – the city Radnevo. Due to the rapid development of mining in the municipality a daily flow of people between the municipality Radnevo, other community centers in the area and the regional city - Stara Zagora is observed. In the recent years the number of companies that perform activities supporting the mining and energy production is increasing. This fact enhances the daily influx of workers to the municipality.

4. Conclusions and recommendations

The Radnevo municipality is the second in net incomes in the Stara Zagora region and one of the first among the municipalities in the country’s level of socioeconomic development measured by indicators GDP for each single person of the population.

The structure of the industry is represented mainly by extraction of lignite coal, electricity production, food industry, garment industry, construction and installation.

In general terms the aims and the priorities of the municipal development plan for the new programming period should be focused at the economic growth and employment. The necessary increasing of the employment and the improving of the quality of life and income in the municipality is only possible by further strengthening the competitiveness of local economy and human resources development.

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