



GUIDELINES FOR IMPROVING THE MUNICIPAL DEVELOPMENT PLANS IN BULGARIA

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ABSTRACT

The report aims at outlining several basic guidelines for improving the municipal development plans in Bulgaria. These guidelines were drawn in view of the targeting and strategic planning processes. To this end we analyzed the strategic part of the municipal development plans for the period 2007-2013. The results show that the majority of the reviewed plans have weak points that limit the possibilities for municipal development in the country or guide the development of these territorial units in the wrong direction. The elimination of the established shortcomings for the time to come is a prerequisite for the sustainable development of the municipalities in Bulgaria as well as for reducing regional disparities concerning the social-economic development of the country.

Key words: municipal development plans, strategic planning, reducing regional disparities

INTRODUCTION

This report is a summary of the results of the author's research on the quality of the plans for the development of municipalities in Bulgaria within 2007-2013 and on its basis they are outlined and interpreted the most important guidelines for improving the planning in the municipalities of Bulgaria in the future.

Although municipal development plans in Bulgaria in the period suggest developing multiple points of improvement, here we consider only those that are associated with significant shortcomings in the main and secondary targets and priorities of municipal plans. These guidelines directly affect the quality of the planning process in Bulgarian municipalities and are intended to help overcome the shortcomings. They do not proceed from the

requirements of national or supranational institutions, but mainly from the nature of strategic planning, without which it is impossible to create a correct basis for the development of territorial units in the country.

The first guideline to improve municipal plans is related to the absence of a *main objective*. The lack of a main objective is one of the most important fundamental shortcomings of the municipal plans in Bulgaria. The plan is inherently built on three pillars: *first* - the identification of the desired future state of the object of planning by determining a precise and clearly defined main objective, *second* - characteristics of the reference condition of the object of planning at the starting point, and *third* - determining the trajectory of the transition from the existing (usually negative) state to the desired future state (positive) of the object. On this basis, it can be stated that a document that presents a plan, but does not have a main objective in terms of the nature of the planning process, is not a plan. The absence of the first pillar, established through the lack of a main objective, means that a part of the municipalities in Bulgaria are not able to determine their future.

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This naturally raises the question "If municipalities do not know what they aim at, if the plans developed by them lack a main objective, then what will lead to the measures and resources provided to?" The answer is just as legitimate as the issue arisen - the lack of a main goal and direction of development, will not only preserve the existing state of municipalities in almost every aspect, but most often it will lead to an economic and social decline. The state of municipalities in Bulgaria at the end of the period 2007 - 2013 in no way contradicts to this conclusion. The fact that part of the municipal plans in Bulgaria during the period did not identify the desired future state of the municipality for which they were developed, do not allow the next stage of the planning process to derive the necessary resources and measures by which to achieve this condition. Therefore, this deficiency in the municipal plans can be seen as the main cause that determines the stagnation and lack of progress in the municipalities.

Based on these arguments, *the first approach to better municipal development plans in Bulgaria is related to the satisfaction of one of the pillars building each plan - namely, identifying the desired future state of the object by determining a clear and precise defined main objective which incorporates development (i.e. suggests development) of the territorial unit.*

The second approach for improvement is also associated with a serious flaw - *the main objective in many municipal plans in Bulgaria in the period 2007-2013 is not integrated, i.e. implies the development of the municipality as a whole in all its aspects.* This means that many plans have as main goal the development of only one aspect (item) or in the best case - several aspects (elements) of the municipality, not the city as a single system. In other words, the development of other aspects (elements) is neglected, without being paid almost any attention. In essence, this substitution of the real objective of developing a secondary or third-rate goal dooms the municipality development. The cause of these effects can be found in the presence of complex causal relations between elements of the municipality system. The presence of complex causal relationships between the components of each system means that at the same point of time the state of one

element is being transformed into a state of another element(s), and vice versa. I.e. there is no element that is a permanent reason for the state of another element(s), and there is no element that is always a consequence of the state of another element (other elements). This means that each component at any time, is both a cause and consequence of the state of another element (other elements).

The nature of the links in the system implies that if the main objective of the Municipal Plan 2007-2013 is accomplished and one or more elements of the municipality are developed (which are referred to or determined as a main goal), but the other elements remain underdeveloped, therefore in the next period 2014-2020, due to the specific nature of the relationships, the state of these more advanced features will be reduced to the state of the underdeveloped elements of the municipality. In other words, the development of the municipality as a whole cannot be expected. The only effect will be the development for longer or shorter periods of the individual elements of the municipality, and these elements, at the end of these periods will reduce their state to the state of the underdeveloped elements. Systems theory has shown that the outcome of the interaction between the elements in a system is limited by the one element that has the lowest potential, and the system is a product of the interaction between its elements. Given that the main objective of a significant portion of municipal plans in Bulgaria in the period 2007-2013 suggests the development of a single or several elements of the municipalities, the one element among all other underdeveloped elements that have the lowest potential, will limit the opportunities for municipality development as a whole. Examples of replacing the true main goal with a partial one are many. Examples of main objectives are "Infrastructure Development" or "Development of the economy," etc. These objectives can be successfully formulated as sub-objectives of first, sub-objectives of second, etc. rank, but not as a main goal of the plan.

Therefore, *the second approach* for the improvement of municipal plans in Bulgaria is related to the definition of *an integrated main objective which covers all aspects (elements) of the municipality development.* This does not mean that the main objective should be very long

and listing all the elements (aspects) of a municipality. During the period 2007-2013, this defect occurs in the majority of municipal development plans in Bulgaria. On the contrary, *the main objective of the municipal development plan should be concise, comprehensive, accurate and explicit. It must be consistent with the natural laws which exist, develop and interact with nature, science, economics, society and man.*

The third approach to better municipal plans in Bulgaria comes from the fact that *the main objective and goals of these plans are only listed, but not deciphered and explained.* This makes these goals less available and more misunderstood for the population and the economic units in the municipalities, which heavily restricts one of the most important roles of goals - goals are the generator of development of opportunities (prerequisites) for development.

In a market economy and private ownership of the means of production, municipalities can directly make decisions and determine the status of a range of areas. Among these areas are the organization and smooth running and development of the municipality and the municipal administration, hospitals, schools, maintenance and development of technical and social infrastructure, social activities, determining the amount of local taxes and fees and many more. At the same time, municipalities are not able to determine the behavior of economic entities and population who make independent decisions and self assess the appropriateness of their actions. In general the behavior of economic entities and population in different sectors of the local economy and society is of great importance for the development of municipalities because their initiative and active participation are important for the realization of the objectives of local development plans. The municipality is able to promote active behavior and initiative only by defining the objectives, measures and incentives in the municipal plans, where population and economic entities could recognize their own well-being and development opportunities. But how can this happen when local plans are enumerated without explaining not only the goals but also the measures to achieve them. It has been already stated that the Municipal Plan (as every other plan) is built on three pillars:

- identifying the desired future state of the municipality by determining the precise and clearly defined main purpose and objectives;
- characteristics of the reference state of the municipality at the starting point;
- displaying the trajectory of transition (represented by measures and resources to achieve the objectives) from the current state to the desired future state of the municipality.

In the municipal development plans in Bulgaria in the period 2007-2013, the volume of **the second pillar** (characteristics of the reference state of the municipality at the starting point) is much greater than the volume of the **first** (identifying the desired future state of the municipality by determining the precisely and clearly defined objective and sub-objectives) and the **third** (determining the trajectory of transition from the current state to the desired future state of the municipality - displaying resources and measures to achieve the objectives) pillars together.

Moreover, municipal plans in Bulgaria over the period researched, *baseline characteristics of the municipality reference state at the starting point is located* on 30 to 60 or more pages, while the *main and secondary objectives, and the measures* of the municipal plan without any explanation (in terms of their strategic importance to the development of the municipality in the future) are only listed - usually within 2 to a maximum of 10 pages. In principle, the strategic planning process has no specific rule about ratio and volume of each of these three pillars of the plan, as long as each of them has been developed with high quality, in accordance with its meaning, and is able to fulfill its role. Analysis of the Development Plans in Bulgaria in the period 2007-2013 allows to conclude that the size of the first and third pivot in these plans is extremely small, which greatly reduces their quality and prevent the performance of their roles. Analysis of the Development Plans in Bulgaria in the period 2007-2013 allows to conclude that the size of the first and third pillars in these plans is extremely small, which greatly reduces their quality and prevents the performance of their roles. One of the most important roles of the objectives is to *develop a generator for development*

*possibilities*¹. Objectives will fulfill this role only when they are able to generate initiatives to create the necessary conditions and prerequisites for their achievement. By "creating the necessary conditions and prerequisites for the achievement of objectives" it should be understood creating or obtaining the necessary resources, development and implementation of appropriate measures and actions, and coordination of resources to the measures of the plan. When objectives are not playing this role, they cannot generate the necessary steps to create the conditions for their own achievement. In these cases, usually as a justification it is stated that the existing conditions (resources, measures and coordination between them) at the reference moment are insufficient and do not allow the realization of the objectives set in the plan. The big difference between this second case and the first case where the objectives act as a generator of development of opportunities for development, is the difference between a passive and contemplative attitude towards the existing prerequisites for the achievement of the objectives on the one hand, and active attitude towards these conditions, on the other, in terms of their development to the required level to ensure achievement of objectives. In this context it is important to point out that the objectives should be a generator of development of opportunities for development not only in the immediate process of developing the plan, but in the process of its implementation. This means:

- 1) objectives and measures in the plan to be formulated correctly (i.e., to be clear and concise, to suggest the development of the municipality and to stimulate initiatives and active behavior);
- 2) objectives and measures in the plan to be well deciphered and explained in order to be recognized by the public and businesses as opportunities to achieve their own prosperity and well-being, and thus to cause their active participation in the municipality development.

Logical interpretation of the results of the analysis show that with no qualitative realization of these two points of the municipal plans in Bulgaria, these plans will contribute only to the status quo, and will not ensure the development

of the municipalities in the country. In essence, the lack of these two points means that municipal plans will do nothing more than a good characterization of the current state of the municipalities i.e. these plans will not meet their primary role - to develop municipalities in all their aspects, to promote the creation of a clear and stable environment in the municipalities, to provide ideas and promote active behavior of the population in the economic units.

The fourth approach is associated with *incorrect priorities* in municipal plans. The analysis shows that in many municipal plans in Bulgaria priorities are not defined correctly. According to the definition of priority, priority is the vital economic necessity among others. In essence a priority acts as criterion on which base to allocate scarce resources among the objectives of the plan. To achieve the objectives that have been identified as priority, a lot more resources are spent than for the other objectives. The analysis shows that in the majority of municipal plans priorities 'defined' do not affect those areas which during the implementation of the plan would have the greatest importance for the development of municipalities. Concentration of resources in these "replaced" priorities not only will contribute to the development of the municipalities, but will lead to wastage of limited resources and sabotage development.

The essence of this approach to better municipal plans is reflected in the need for a reasonable and consistent prioritization both based on the state of municipalities and trends in the external environment and based on the logic of the development of the economic system, the logic of human development, the logic of transformation of human development into economic development, economic development into human development, the transformation of knowledge into economy, economy into knowledge, etc.

The fifth approach affects the number of *priorities in municipal plans*. Analysis of municipal plans in Bulgaria in the period 2007-2013 shows that the number of priorities varies

¹ Manov Vasil, Prognostic and Planning, development and function of economic systems, Stopanstvo University Press, Sofia, pp. 149-150

widely - from plans with three or four priorities to plans with over twenty priorities. Is it justified, however, the presence of municipal plans of so many priorities?

A starting point in the justification of the number of priorities in municipal plans is the John Kenneth Galbraith complex target program definition² which adequately reflects the nature and structure of the plan (see Figure № 1), including the regional plan. In this structure, objectives form a pyramid.

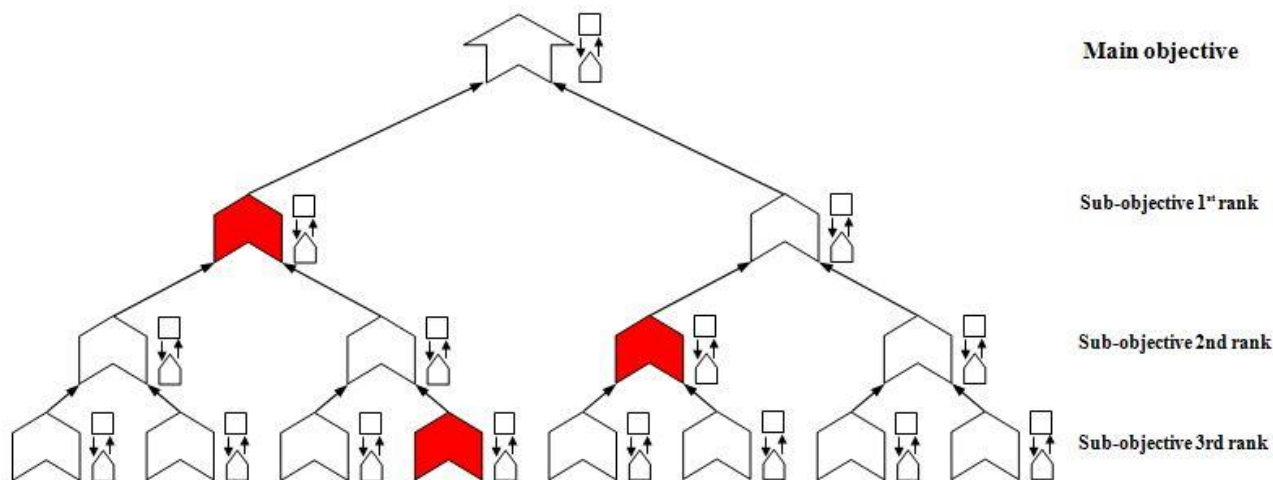







Figure № 1: Plan structure

Legend:

-  - main objective
-  - sub-objective of n-rank;
-  - sub-objective of n-rank, having the status of a priority.
-  - resources of any kind for achieving of each sub-objective (including the main one) of the plan.
-  - measures of any kind for achieving of each sub-objective (including the main one) of the plan.
- ↓ ↑ - coordination between resources and measures of any kind for achieving each sub-objective (including the main one) of the plan.

Resource: own making.

² Galbraith definition of the existence of a complex target program contains four conditions:

- first condition** - clearly and precisely defined main objective. Decomposition of this objective on a unequivocal base in sub-objectives of different ranks. Consistency of the decomposition lies in the fact that the achievement of the lowest rank leads to achieving the goals of higher rank, including the main objective;
- second condition** - defining necessary resources of any kind to achieve each objective of the decomposition (including the main objective);
- third condition** - defining all necessary actions to achieve each objective of the decomposition (including the main objective);
- fourth condition** - coordination of the resources of all kinds with appropriate action of any kind, according to the production technology to achieve each objective of the decomposition (including the main objective).

See Manov Vasil, Prognostic and Planning, development and function of economic systems, Stopanstvo University Press, Sofia, 2001, pp. 398-399

Inherently a strategic plan, what the regional plan represents, is a plan without any details, i.e. a strategic plan includes objectives located on three to four levels. Assuming that Scheme № 1 presents a model pyramid of the objectives of a regional development plan, which consists of four levels of objectives (first level - the main objective, second level – sub-objectives of first rank, third level – sub-objectives of second rank and fourth level – sub-objectives of third rank),

On this basis, it can be concluded that if the regional development plans are strategic in nature, i.e. can have a maximum of four objective levels, and having that at one and the same level only one priority can be output, then this means that the regional plans is justified to have three priorities. Logic suggests that the greater the number of priorities, the evener the resources are distributed between the objectives of the plan. A large number of priorities in a significant part of the regional plans in Bulgaria in the period 2007-2013 indicates that in reality these plans have no priorities because resources are not concentrated in the most important areas (objectives), but are spread evenly between objectives. The consequence is that true priorities are not realized, slowing or completely blocking the development of municipalities.

CONCLUSION

The guidelines provided for the improvement of municipal development plans in Bulgaria revealed significant weaknesses that greatly reduce the quality of the developed planning documents. In some cases, these deficiencies are so significant that the plans do not actually represent them. As a result, many of these documents not only do not contribute to the development of the municipalities in the country but also create significant and sometimes insurmountable obstacles to this development. The analysis shows that the municipal development plans in Bulgaria in the period 2007-2013 are designed primarily to maintain the status quo, not to ensure the development of such units, because most of them do nothing but play the role of a good description of the current state of the municipalities. The significance of this problem stands out even more, given that the report addresses only some of the major shortcomings of the municipal plans. Moreover, serious shortcomings in terms of the nature of the planning process exist also in the municipal

and after we get the definition of priority (the vital economic necessity than any other industrial purposes), it results that only one of the sub-objectives of first rank, only one of the sub-objectives of second rank and only one of the sub-objectives of third rank will be determined as priorities. In other words, indicative regional plan will have three priorities which on the scheme are marked in red.

plans, the definition of the actual purpose of community development, the replacement of priority with objectives and objectives with priorities, replacing objectives with resources and resources with objectives and other. The main reason for the emergence and existence of these shortcomings in the municipal plans in Bulgaria is the low capacity of local governments in the area of strategic planning. More precisely - the poor quality of municipal development plans in Bulgaria in the period 2007-2013:

- in-depth knowledge of the essence of the strategic planning process, its sages and consequence;
- a true image of the essence meaning, role and functions of the plan and its structural components.
- a true image of the philosophy of the used methodology for developing of municipal plans, precisely – a true image of the logic of human development, logic of transformation of human development into economics, development of economics into human, transforming knowledge into economics and economics into knowledge, etc.

The guidelines for improving the municipal plans that are presented in the report could contribute for overcoming the deficits in these directions. Thus they could directly contribute for improving the quality of the municipal plans during the period 2014-2020, being a prerequisite for the development of municipalities and the reduction of regional differences in Bulgaria. Further on, after the quality of the municipal plans achieves the necessary level, the focus should be on the prerequisite, namely – the development of adequate policy for the implementation of these plans. Nevertheless, without overcoming the shortcomings we have found in the municipal

plans, no policy, whatsoever its quality, will be able to contribute for the social-economic development of the municipalities in Bulgaria.

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