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# **Role of the Core Executive in the Europeanization of the Regional Policy – the Case of Bulgaria**

## **1. Introduction**

According to Borzel and Risse, (2000) two conditions must be in place, if the Europeanization is expected to provoke change in the domestic policies and politics. First of all there must be some degree of misfit or incompatibility between the EU level policies and processes and the national ones. Second – somebody (institution, actor or a group of actors) must be able to respond to the adaptation pressures from the EU level. One such actor (sometimes the only one) in the 2004/2007 EU entrants are the central governments.

The purpose of this paper is to explore how the Bulgarian central government responds to the EU pressures for overcoming of the misfits between the national level policies aimed at the development of the Bulgarian regions and the EU regional development and cohesion policy. In order to show what the Bulgarian core executive has done in 1997-2007 and is currently doing in response to the adaptation pressures from Brussels, the paper gives information on the overall mechanism for coordination of the EU affairs in Bulgaria, as well as on the accession negotiations between Bulgaria and the EU on Chapter 21 “Regional Policy and Structural Instruments”. In the section about the accession negotiations, the paper is giving detailed information what has been done in Bulgaria in the period between 1997 (publishing of the Commission’s Opinion on the Bulgarian readiness for EU membership) and 2007 (the full EU membership) in order to respond to the specific requirements of the European Commission for alignment of the institutional structure, the administrative capacity and the legal framework of Bulgaria with the requirements of the EU regional policy. The paper is also providing one of the possible answers to the question, why the Bulgarian core executive chose the statistical regionalization of the country instead of the a political one like Poland and the Czech Republic. In the paper I am also trying to explore if the Bulgarian central government is acting as a gatekeeper between the EU and the subnational actors in order to remain the only actor that is able transform the adaptation pressures coming from Brussels into domestic changes. Speaking about gatekeeping, the paper also provides an answer to the question if there are shortcomings of the subnational actors, which are not caused by actions of the central government, but nevertheless prevent the subnational actors from accessing the EU institutions. And as a conclusion, the paper accesses to what extent the changes of the Bulgarian regional development

policies are a result of the adaptation pressures coming from the European Union, both during the accession negotiations (early 2000- late 2004).

## **2. The concept of Europeanization**

Bulmer (2006) identified five different usages of the term Europeanization. First of all, Europeanization is used in connection with “changes of external boundaries”. The most obvious examples of such extension of the rules, values and institutional requirements are the changes related to the preparation for an EU membership in the new member states that joined in 2004 and 2007. Secondly, the term defines “development of institutions at the EU level”. This usage relates to the development of governance capacity on the EU level with implications of constraints and opportunities on national level. Thirdly, Europeanization is used as “penetration of national systems of governance”. This is the core usage of the term and covers adaptation processes with regards to institutions, policy, patterns of political behavior, etc. This is also the meaning, in which the term is used in this paper. The forth and the fifth usage of the term are related to the exporting of models of political organization and again with the development of governance capacity at the EU level.

As already mentioned in the introduction of this paper if the Europeanization is viewed as “penetration of national systems of governance” and expected to lead to adaptation changes on the domestic level, there must be a misfit between the policies formulated at the EU level and the ones formulated at national level. The concept of misfit is particularly useful where there is a clear EU requirement or “way of doing things”(Knill and Lehmkuhl 2002). EU regional policy perfectly fits the situation with clear principles of governance within the domestic arena of both member states and candidate countries. This is why the goodness to fit approach has been applied in this paper.

In order to check if the regionalization of Bulgaria and the changes introduced by the central government in the Bulgarian regional development policy are primarily a result from an external (originating from the EU) pressures or from an internal drive for changes in the field I am using a combination of the external incentives and the social learning models (Schimelfennig and Sedelmeier 2005 pp. 10-18). The external incentives model is one of the classical explanations of the transformative power of the EU accession conditionality. According to the model, the EU sets adoption of its rules as a condition for receipt of certain reward by, in our

case, the acceding country. The EU can offer two types of rewards: financial, technical and expert assistance and institutional ties. In our case the latter are association agreement and full membership. Under this model, the EU mainly follows a strategy of enforcement by reward. The reward is usually paid if the target government complies with the conditions set by the Community. Otherwise the reward is withheld. The EU does not however resort to enforcement by punishment (by inflicting extra costs) or enforcement by support (by offering an extra reward). The Community persuades the targeted government that it should itself create the conditions to be rewarded.

However in the case of a former communist country like Bulgaria the external incentives model has one shortcoming. It fails to take into account the fact that by the time Bulgaria engaged with the EU it was undergoing transition from state controlled to market economy. Such a transition required substantial reforms for which Bulgaria had no ready model and in many cases (regionalization is among them) solutions had to be “borrowed” from the EU.

In order to overcome this shortcoming of the external incentives model, the paper uses it in conjunction with the social learning model (Schimelfennig and Sedelmeier 2005). According to the social learning model, the likelihood of rule adoption increases with the increases if the CEEC governments are persuaded the rules are appropriate to the situation in their countries. Likelihood of rule adoption also increases with the increase of the rule legitimacy. Another hypothesis of the social learning model is that the likelihood of rule adoption increases if the targeted government and society identify themselves with the community, from which the rule originates. The model basically overlaps the external incentives model.

One of the most important results of the Single European Act (1986) and the 1988 reform of the structural funds (based on article 130a-e of the SEA) was the realignment of the EU regional policy (by that time a mere side payment to the member states budgets) according to the principles of partnership and additionality. These two principles are central to the multi-level governance concept. Marks defined MLG as “a system of continuous negotiation among nested governments at several territorial tiers”(Marks 1993).

Partnership has been defined as “close consultation between the Commission, the member states concerned, and the competent authorities designated by the later on national, regional, local or other level, with each party acting as partner in pursuit of a common goal”. It has to be noted, that by the time of the beginning of the accession negotiations with the Central and East

European Countries, partnership was already more or less consistently applied in the EU, though it is highly doubtful if the European Commission had feasible means to check if the partnerships constructed in the member states were real partnership structures, not something created in order to formally comply with the provisions of the Framework Regulation in force by that time. However in the case with the acceding countries, the case with the application of the partnership principle was significantly different. The application of the partnership principle appeared very early on the Commission's agenda, and at least in the beginning of the enlargement process, it seemed that the Commission has much more feasible means to enforce application of the partnership principle by the candidate countries. Furthermore the Commission had a possibility to pay specific rewards to the candidate countries if the latter complied with the partnership requirement.

Europeanization pressure can cause three types of domestic response (Borzel and Risse 2000):

- Absorption: Member states are able to absorb European policies and ideas and readjust their policies and institutions accordingly, without making substantial changes in the domestic policy process. The degree of domestic change in this case is low.
- Accommodation: Member states accommodate europeanization pressures by adapting their policy processes and institutions without changing significant features. This is done by "patching-up" of existing policies and institutions without changing them (Heritier 2001). Domestic change is modest.

Transformation: member states replace existing policies and processes by new, substantially different ones, or significantly alter existing ones. The degree of domestic change is significant. Transformation also describes domestic changes provoked by the adaptation pressure of the EU conditionality (set of conditions for full membership in the EU) in candidate countries.

- If you are going to use this three-fold classification it would be better introduced in the early part of the paper in the discussion of Europeanization and then its relevance reflected on here.
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Usually all three types of the domestic response to europeanization pressures can be observed in one candidate country, depending on how big is the misfit between its national legislation and

the EU acquis and policy implementation practices. Later on we will see what the impact of all of this on Bulgaria was.

### **3. Bulgarian regional development and the EEC regional development policy**

As already mentioned in the beginning of the paper, if the adaptation pressures from the EU are to lead to a domestic change, there must be a domestic actor who is able to respond to them. Having in mind that during most of its recent history (practically since the state reappeared on the map of Europe in 1878), Bulgaria has been a highly centralized state, there has always been one actor, whose active participation has been required in order to achieve any domestic transformation in the country. This actor is the central government. Furthermore, even when the country was practically governed by its monarchs (this happened two times – during late XIX century and in the early 1930s), none of them formally took part in the governing of the country. Both of the kings chose to appoint a “suitable” prime minister and rule through them. The importance of the central government remained high during the 45 years of communist rule, even though its decisions were controlled by the Political Bureau of the Bulgarian Communist Party (and the cabinet ministers were members of the Bureau). Even though the 1991 Constitution stipulates that the country is a parliamentary republic and all the important decisions concerning various policy sectors are to be taken by the Parliament, the central government retained its importance in the Bulgarian policy making.

Having said this, I must note that from 1878 up until the early 1990s, regional development was not high on the list of the priorities of the Bulgarian central government, for various reasons. The most important reason for this was the predominantly sectoral approach to development that existed. For more than a century Bulgarian central governments believed that development of certain sectors of the economy would inevitably lead to the development of the regions, in which this sectors were most developed. In fact between 1878 and the 1990s, the Bulgarian core executive had no specialized cabinet ministry dealing with the regional development (while there were several sectoral ministries) and no provisions of the Bulgarian legal framework required an action of the central government aimed at the bridging of regional disparities within the country (and at that time the disparities were already well visible, because of the declining industry). However, between 1970s and 1988, the situation in what was then EEC was not much different. Even though the requirement for harmonious development dated

back to 1957 (the Treaty of Rome), it was not until 1975 when the European Regional Development Fund (ERDF) was set up in order to support the economic development of the Community regions that were lagging behind. And between 1975 and the end of 1988 the money from ERDF were a mere side payment to the member states budgets allocated and spent without any prior programming on behalf of the member states and without any real control on behalf of the European Commission.

In the 1980s, the EEC regional policy the scene for several integrated funds management and programming experiments like the Integrated Mediterranean Programs (1985-1986). As a result of these, the Single European Act (Articles 130b-130e) stipulated that the European Commission should develop new rules for achieving of economic and social cohesion. As a result of the experiments on integrated funds management and multi-annual programming, in 1988 the EEC regional development policy saw its first significant reform. As already mentioned above, the regional policy of the European Community was reorganized on the basis of the principles of geographic distribution, partnership and additionality. From the point of view of the misfit concept, it was the time when the EU regional policy started to require certain ‘goodness to fit’ from the member states. The reason for this was that the policy was no longer an annual side payment to the member states budgets allocated on a quota principle and without any control from the European Commission.

In the meantime, Bulgaria was already experiencing the effect of the 1985-1990s economic crisis, which was one of the things that eventually lead to the collapse of the communist regime. The crisis was partially a result of the coming of Gorbachev to power in USSR and the revision of the USSR policy towards the client communist states that followed shortly afterwards. In the beginning of the 1990s, even though the disparities between the Bulgarian regions were already clearly visible due to the decline of the state controlled economy, several consecutive Bulgarian governments chose to stick to the sectoral approach, when it came to the development of the country. Furthermore the Bulgarian governments of that time were not legally obliged to formulate a regional development policy. The Bulgarian “return to the European family”(a popular political debate in the SEECs in the 1990s) started in 1993, when the country concluded an Association Agreement (also known as “European Agreement”) with the EU.

As far as the regional policy is concerned (Article 88 of the European Agreement), the European Agreement envisaged an exchange of information and best practices between the Bulgarian government and local authorities and the governments, regional and local authorities of the member states in order to assist Bulgaria in the formulation of a regional policy. From the point of view of the Europeanization theory, this meant that still no particular ‘goodness to fit’ was required from Bulgaria. The Europe Agreement entered into force in 1995. Again in 1995, the socialist government of Bulgaria, after a heated internal political debate about the Euro-Atlantic integration of the country, submitted the formal application of Bulgaria for an EU membership. Between late 1995 and early 1997 it was not possible to even think about the beginning of accession negotiations between Bulgaria and the EU, because the country was experiencing severe economic and political crisis due to the collapse of the banking system.

Together with the Opinions on the other Central and East European Countries, in 1997 the European Commission published its Opinion on the Bulgarian application for an EU membership. Even by that time, it was pretty clear that the whole territory of Bulgaria would fall into the Objective 1 category (i.e., regions with less than 75% of the Community Average GDP per capita). When it came to the regional policy, the Opinion outlined one major inconsistency between the EU regional policy and the Bulgarian practices in the field. According to the Commission, there was no Bulgarian regional policy. From a theoretical point of view, this was something bigger than a misfit. It meant that Bulgaria had to create practically everything in order to fit into the requirements of the EU regional policy. There were no specific administrative procedures for a formulation and implementation of a Bulgarian regional development policy, there was no adequate legal framework (the first Law on regional development was adopted in 1999), no capacity for multi-annual policy planning. In fact even the state budget was adopted on a year by year basis and no multi-annual budget forecasts were made<sup>1</sup>. It must be noted that the situation in most of the other policy sectors was not much different. In fact in 1997, partially due to the heated political debate that preceded the submission of the official EU membership application (and the policy of the 1994-1997 socialist central government to delay the integration of Bulgaria into the EU and NATO as long as possible), there wasn’t even a specialized unit for an overall coordination of the EU affairs. Therefore the

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<sup>1</sup> As a public servant I had a chance to participate in such an exercise for the first time in 2004, when the accession negotiations were well under way and most of the chapters were already closed, either provisionally or completely.

plans of the new right wing government that came to power after the 1997 general elections to create an EU affairs coordination unit were one of the few things commended by the Commission's Opinion.

Even though the country was heavily criticized for various misfits between the national level policies and institutional settings in 1997, the EU offered the first "reward" to Bulgaria. The Luxemburg summit of the European Council (December 1997) included Bulgaria in the procedure according to Article 49 of the TEU (membership of the EU) and decided that the accession negotiations with Bulgaria "will begin when substantial progress on the implementation of the membership criteria is achieved" (Kuneva 2007). Despite this, for a bit more than two years to follow (until the beginning of the accession negotiations in February 2000) almost nothing was done in Bulgaria in order to bridge the misfits identified in the 1997 Opinion of the European Commission. The most significant step towards the alignment of the misfits between the Bulgarian regional development practices and the EU regional policy was made in 1999, when the Bulgarian Parliament adopted the Law on Regional Development. This was a revolutionary piece of legislation.

First of all, the legislation divided the country into six planning regions (NUTS 2 level regions). This was actually the first attempt to interlink the Bulgarian development policy with a specific territory, not with a sector of economy. The second major innovation was related to the fact that the Law on regional development introduced the multi-annual programming of the regional development policies. However some of the interviews I have recently taken with the representatives of two major NGOs representing the local authorities in Bulgaria suggest that the practical implementation of the requirement for multi-annual programming was quite problematic. The reasons for this are quite complex. The law introduced a three level programming mechanism. The local authorities had to prepare municipal development strategies and submit them to the Offices of the Regional Governors (devolved state administration at NUTS 3 level), who in turn had to submit Regional Development Strategies (for each NUTS 3 region) to the Ministry of Regional Development in order for the latter do use them as a basis for the National Development Plan. However the government failed to communicate to the local authorities the importance of the municipal development plans. Furthermore, most of the municipalities had no resources and expertise to draft a proper multi-annual development plan. This, together with the fact that the accession negotiations with the EU had not even started in

1999 and the structural funds were a remote perspective led to the fact that drafting of the municipal development plans was done by private consultants who in some cases used one “blueprint” for several municipalities and even forgot to change the names of the municipalities. This in turn had a poor impact on the national strategic documents, but the government did nothing to stop this practice.

As far as the national level EU affairs coordination mechanism is concerned, it has to be noted that the setting of such a mechanism took even longer and in fact a working one was not established before 2002 when the accession negotiations were well under way.

#### **4. EU affairs coordination mechanism and the regional policy implementation in Bulgaria**

The main tool employed by the government in order to initiate changes in the national level policies (including the regional development policy) and the EU policies was actually the EU affairs coordination mechanism. Between the beginning of the accession negotiations with the EU (February 2000) and the second half of 2001 the central government employed a relatively simple mechanism for coordination of the EU affairs in Bulgaria. The mechanism employed the principle of the lead ministry (each of the lead ministries was responsible for a particular *acquis* chapter) and consisted of the European integration directorate of the Ministry of Foreign Affairs (MFA) acting as a central coordination unit, and the chief negotiator (usually the deputy minister of foreign affairs in charge of European integration). The weakest link of the chain was related to the competencies of the chief negotiator. The post was formally within the structure of the MFA and the person occupying the office had no powers to influence other administrations (cabinet ministries or implementing agencies), act as a mediator in inter-institutional conflicts or demand certain actions aimed at bridging of the misfits between the national level policies and the EU ones. Another weak link was related to the fact that the European integration directorate of MFA had no way of influencing similar units in other ministries and any tough coordination issue or an institutional conflict at least in theory required the personal interference of the minister of foreign affairs or the prime minister. As a result of this, up until 2002 the accession negotiations process was very slow and in many cases domestic transformations were made only because of the good will of a particular cabinet minister.

The mechanism was not reformed until May 2002. By that time it was clear that the mechanism was not working. The negotiations on important *acquis* chapters like “Regional

Policy and Structural Instruments”, “Agriculture” and “Justice and Home Affairs” were still opened. And until December 2002, Bulgaria had a complicated system for the programming and implementation of EU regional policy. The leading cabinet ministry under Chapter 21 was the Ministry of Regional Development, which was also in charge of the programming and implementation of “economic and social cohesion measures” (currently falling within Regional Development and Competition Operative Programs, funded by the European Regional Development Fund). On the other hand, the overall coordination of pre-accession aid from the EU was performed by the minister of finance, and the overall management of the EU funds was also performed by the Ministry of Finance. Furthermore, funding of the local authorities was also performed by the Ministry of Finance. Besides that, within the Ministry of Transport, there was a separate implementing agency for the transport related pre-accession aid and the minister of economy was trying to push for the creation of an implementing agency in order to take the “economic and social cohesion” projects from the Ministry of Regional Development.

The reason for the existence of two leading ministries was to a great extent political. From 1997 to 2000 the Ministry of Regional Development was headed by one of the most influential figures of the Union of Democratic Forces (the right wing party that came to power after the elections in 1997). Following 2001 general elections, even though the Bulgarian socialists were among the parliamentary opposition, this was one of the three ministerial posts given to the member of the party (even though the minister was formally “independent”, he was a member of the Supreme Council of the Bulgarian Socialist Party) in an attempt by the prime minister to build a broad parliamentary coalition in order to speed up the accession negotiations with the EU.

As of 2002, the overall EU affair coordination mechanism was significantly changed. First of all, in order to allow the minister of foreign affairs to concentrate on the other major integration project pursued by Bulgaria (the NATO membership), the chief negotiator was no longer a deputy minister of foreign affairs. Following a proposal made by the minister of foreign affairs backed by the prime minister, the chief negotiator became a minister without portfolio in charge of European affairs. Another important change in the EU affairs coordination mechanism was that besides the Council for European Integration (a high level political forum chaired by the deputy prime minister in charge of European Integration and consisting of the cabinet ministers) an administrative coordination body called Coordination and Monitoring Council (CMC) was

created. CMC was chaired by the minister in charge of European affairs and consisted of the deputy ministers and the heads of the 31 working groups<sup>2</sup>. CMC made the solving of tough EU affairs issues possible at much lower level and thus significantly speeded the domestic transformations required in order to complete the accession negotiations by 2005 and sign the Accession Treaty in 2005.

The mechanism was once again reformed in December of 2002, when following the resignation of the “independent”(see above) minister of regional development, the minister of finance was given the overall responsibility for the coordination of the EU regional policy programming and implementation in Bulgaria. This helped to introduce the final amendments needed in order to close the negotiations on chapter 21 “Regional Policy and Structural Instruments” at the end of 2004.

## **5. Regionalization of Bulgaria – statistical or political?**

The key results from the EU accession negotiations on Chapter 21 “Regional Policy and Structural Instruments” was the division of Bulgaria into planning regions (NUTS 2 level) and the departure from the traditional sectoral year by year development programming approach. This raises an important question – what kind of regionalization model (statistical or political) has been chosen by the Bulgarian government and why?

According to the literature (Huges, Sasse and Gordon 2004, Bache 2008) the choice of regionalisation models by the former communist countries in Central and Eastern Europe depended heavily on the pre communist experience of the countries. Unlike countries like Hungary, who enjoyed a significant degree of regional autonomy after the Austrian Empire became Austria-Hungary following the Tissa Treaty (1867) or Poland who had a tradition of limited regional self-governance even during late years of the communist regime, Bulgaria had practically no experience of regional self-governance. After the country has been liberated from the Ottoman Empire by the Russian army in 1878 it was governed for 9 months by a Russian general governor and later by a very strong central government (in fact the central government even managed to force the monarch to convert the crown prince from catholic into orthodox Christianity) backed by a highly centralized administrative system.

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<sup>2</sup> Each one was responsible for a different acquis chapter

The Bulgarian political history has never witnessed internal drives for regionalization. In fact, because of the large masses of compact Muslim (descendants of Bulgarians converted into Islam in XV-XVI century) and Turkish<sup>3</sup> population living in the southern part of the country, most of the central governments between 1878 and 2000 feared that an internal drive for regionalization might turn into separatism and, especially during the communist regime, a special part of the armed forces was prepared to deal with such threat. Also due to this reason, the Bulgarian regions (the *oblast*, similar to the NUTS 3 region) have never been governed by a separately elected administration, but by a devolved central government administration. In fact the regional governors are still appointed by the prime minister following the approval of the minister of regional development.

So, it is not surprising that the regionalization of Bulgaria was performed entirely in response to the adaptation pressures coming from Brussels, mostly during the preparation for the accession negotiations and during the actual EU accession negotiations. Therefore, in 1999, when the first Law on regional development introduced the regionalization of Bulgaria, the government most probably used the lack of formal EU conditionality concerning the institutional setting for the regional policy implementation, in order to create statistical regions rather than political ones (i.e. similar to the Polish *voevodstvo*). Some of the interviews I have taken recently both with representatives of the central government administration and with representatives of the national level NGOs, working closely with the local authorities suggest that there is a re-emerging debate about the introduction of second level of local government (elected regional governors). But even if embedded into the legislation, this measure will change nothing at NUTS 2 level, and the 6 NUTS 2 regions will remain mostly statistical units.

According to an interviewee from the National Association of Municipalities, even though the European Commission proposed the introduction of a second level of local government, the Bulgarian government decided not to follow the recommendation and justified its approach with by referring to the lack of capacity on local and regional levels. Even though it might seem as a sophisticated form of gatekeeping, the reason for the lack of capacity is a bit older than the Bulgarian involvement with the EU. It is related to the fact that the Bulgarian core

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<sup>3</sup> descendants of Turkish land owners who fled Bulgaria after the 1878 Liberation war and returned shortly afterwards

executive has always been the strongest player in on the national scene and ever since 1878 all the policies had been formulated in Sofia.

Having in mind the fact that currently the capacity building at local level is a sporadic and uncoordinated effort, divided between three cabinet ministries (Finance, Regional Development, State Administration and Administrative Reform) and their training units as well as the National Association of Municipalities, the situation is not quite likely to change in the future and most probably the NUTS 2 regions will remain as statistical units at least in 2014-2020 programming period.

## **6. Core executive – a flexible gate keeper?**

During the accession negotiations, the Bulgarian government did its best in order to remain the only partner of the EU institutions within the country. It must be noted, however that , the central government never done that in a direct manner. In most cases, the Bulgarian government justified the continued centralization of the regional policy programming and implementation with a lack of capacity for policy formulation on the local level. The reasons for this can be traced back to the Bulgarian political history from 1878 till present. First of all, ever since the re-emergence of Bulgaria after the 1878 Liberation war, the country faced challenges requiring extremely strong central government, hence there were no partnership traditions. Second the connections with the EU institutions have always been viewed as a special resource by those in power in Bulgaria. And usually, being a “champion” of the European integration guaranteed a relatively stable amount of votes in the general elections (especially in 1997 ones, when the European integration has been presented some sort of a “live raft” that was expected to take Bulgaria away from the 1995-1996 economic crisis). Therefore it is understandable that the government was not quite willing to share this resource with other national actors, especially having in mind the fact that in many cases other national actors (i.e. the parliamentary opposition) actively tried to use their contacts with the EU against the current government in office. Third – it was perceived that if national level actors different from the core executive, gain access to the EU institutions they might try to slow the European integration process in order to improve their chances of coming to power as a potential “saviour” of the “European future” of the country. In the mean time, the government had no means to prevent some of the national level actors (i.e. powerful national NGOs) to gain access to the EU level, even though in

many cases it meant lobbying on behalf of institutions like the Committee of Regions for quite unpopular things like decentralization. In fact the National Association of Municipalities opened its Brussels office couple of years before Bulgaria became a member of the EU. Furthermore, in the late pre accession years many of the Bulgarian local authorities benefited from Community Initiatives like Town Twinning and had a chance to exchange information and best practices with their counterparts from EU15.

However, very few of the Bulgarian local authorities and NGOs were able to benefit from the open access to Brussels without the help of organizations like the National Association of Municipalities, who possess sufficient capacity in terms of qualified staff and other resources needed in order to facilitate such contacts. Even nowadays only the local authorities of the big cities are managing to gain access to the EU level without external help. The reason for this is the lack of the needed capacity on local level. Such a capacity has always been very hard to build, especially for the smaller local authorities. The main reason for this is related to the lack of resources (both financial and human). Usually locating of capacity building resources is a pretty tough task especially for a small municipality, which depends on the central budget for funds, even in order to perform day to day activities related to the governance of the specific territory.

During the accession negotiations with the EU, in many cases the lack of capacity at the local level has been used by the central government as a justification for retaining of a relatively centralized system of the EU regional policy implementation in Bulgaria for the first programming period (2007-2013) after the country became an EU member. A quick look at the Bulgarian National Strategic Reference Framework (NSRF) shows that the lack of capacity at the local level in Bulgaria has been recognized as a problem by the central government and by the European Commission and in order to respond to the Brussels requirement for a greater involvement of the local level, the central government undertook to draft and present to the Commission a detailed plan for increase of the local authorities capacity. However in the first year and a half after the accession to the EU, only the bigger local authorities have managed to build some capacity for successful participation in the EU regional policy implementation and only a handful of them are managing to maintain a representation in Brussels in order to interact directly with the EU institutions and the other EU regions and cities.

Another problem of the involvement of the local level in the regional policy implementation is related to the implementation of the partnership principle. And unlike the pre accession period,

when the Commission had little possibilities to check if the local authorities are involved in the programming and implementation of the EU regional policy<sup>4</sup>, during the membership the Commission seems to have acquired quite a feasible means to check if the partnerships are real or if these are constructed only in order to satisfy the requirements of the Framework Regulation for 2007-2013. First of all, according to recently interviewed Commission officials, the Commission is no longer relying only on the data provided by the central government, but already contacts the local authorities in Bulgaria on its own, either during visits in Bulgaria or during meetings of the various monitoring committees, where the representatives of the local authorities are presented. And second, the local authorities in Bulgaria are already trying to find alternative routes (not through the core executive in Sofia) to Brussels. According to the recent media coverage, the Bulgarian local authorities are already visiting the Commission (DG REGIO) on quite a regular basis in order to bypass the central government gate keeping practices and other things with a similar effect.

Of course it is still too early to make any forecasts if the implementation of the EU regional policy will lead to a political decentralization of the governance in Bulgaria and increase the role of the regions. But if the capacity building plan requested by the European Commission is successfully implemented, it will probably lead to a transformation of the Bulgarian regions from statistical into more political ones. It will also probably lead to a bigger sharing of the responsibilities for implementation of the EU policies between the core executive and the regions.

## **7. Conclusion**

All three responses to the adaptation pressures require an appropriate national level actor in order to take place. In the case of a highly centralized former communist country like Bulgaria, the only actor who is able to initiate domestic changes (ranging from the change of legislation to adoption of better implementation practices) was, and still is, the central government. Considering only the impact of the EU conditionality in the field of the regional policy implementation, the Bulgarian response can be explained using the external incentives model (Schimelfennig and Sedelmeier 2005 pp. 10-18). However one must take into account the fact

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<sup>4</sup> By that time, the possibilities for participation of the local authorities in preparation for the implementation of the EU regional policy were limited to their participation in the environmental projects funded under ISPA program

that by the time of the submission of the Bulgarian EU membership application, the regional disparities within the country were already becoming quite visible, from a theoretical point of view, the social learning model has to be used in conjunction with the external incentives model.

In any case the Bulgarian response to the EU regional policy conditionality can be described as significant transformation of the national level institutional framework and policies. As a response to the adaptation pressures from Brussels, the Bulgarian government together with the Parliament had to adopt radically new legislation (no legislation on regional development existed between 1878 and 1999), significantly change the existing one (i.e. introduce multi-annual budgetary forecasts), create new institutions, gradually allow other actors (local authorities, NGOs, private sector, etc.) to take part into the programming and policy implementation process. However the system is still highly centralized, because most of the programming and policy implementation capacity is concentrated on the central level. However this is quite likely to change due to the continuing europeanization pressures coming from the European Commission and in the next programming period one is likely to observe working multi-level governance in Bulgaria.

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