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CENTRAL AND PERIPHERIAL REGIONS – A TOPICAL PROBLEM IN REGIONAL POLICY

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Abstract: The importance of the regions in the European political and social-economic process is growing still further. The central and peripheral regions are related with regional imbalance in its capacity of structural characteristics of the EU. With each accession to the union the number of problematic regions constantly increases. This fact imposes the necessity of studying the disparities in the development of the central regions and the periphery with the aim of formulating an optimal approach to the stimulation of the latter by outlining the new role of the "local interested parties" for determining the future of the respective territory. The theoretical grounds of the policy towards the central and peripheral regions have been considered. On the example of Bulgaria these two types of regions are analyzed and models have been proposed for territorial development.

Key words: central regions, peripheral regions, theories, approaches, models, policy

Introduction

The chronology of the growing importance of regions in the European political and socio-economic process is related to regional imbalance in its capacity of a structural characteristic of the EU. With each accession to the union the number of problematic regions constantly increases. This fact requires the study of the differences in the development of the central regions and the periphery with the aim of formulating an optimal approach to the stimulation of the latter and outlining the new role of the "local interested parties" for determining the future of the respective territory.

Modern regionalistics implies under a peripheral region a territory, which is deprived of benefits and is dependent on a given central region. The latter is regarded as a territory with high adaptive capacity and significant opportunities for economic growth at the background of the general situation in the country. The greater part of the fixed assets, achievements of the scientific-technical progress (STP) and management functions are concentrated in the central areas.

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For a long time economists have adhered to the “stagnation thesis”, according to which the periphery is doomed to stagnation, since this guarantees to its affiliated central region the possibility of development using its raw material resources, markets and labour.

Theoretical formulation of the policy for the central and peripheral regions

Till the mid 80-ies of the XX century the problem of regional imbalance in the developed countries and in Bulgaria was solved by increasing the grants (subsidies) for agriculture, fishing, mining and boosting employment in the public sector. A number of objective factors in the 90-ies made it impossible to achieve equalization of disparities between the regions by subsidies. The inefficiency of the redistributive approach to regional development imposes the necessity of developing a new approach to territorial organization, its essence consisting in the promotion of “autonomous mechanisms” in the problematic regions, i.e. in their endogenous (internal) potential for development. In this way the “equalization” concept has been replaced by the “efficiency” concept and regional policy has been transformed into regional structural policy. Its purpose is not just to provide financial resources to the “poor” region but to invest with the objective of transforming the regional economic structures with the possibly most complete utilization of the region’s own resources and its specific features.

One of the most important ideas, inherent to the endogenous approach, is related to the development and strengthening of local autonomy. This approach implies the consideration not only of the problematic, but also of all regions in the EU, since the programmes for the possibly most effective use of the endogenous potential may be applied in each of them. The thesis has been adopted that according to the endogenous approach there are no “useless” territories without any value, but there are inadequate strategies for regional development as well as passive local administration.

The key issue in this approach to regional development becomes the principle of partnership, which presumes close interaction and cooperation between all levels of authority – starting with the local and regional and reaching supranational level. The main objective here is to mobilize the population of the respective region and its administration by enhancing the “bottom-up” approach affording the possibility to clearly declare their interests and to form own strategies for development and to further extend the interregional contacts on the basis of common/collective interests.

The sequence in the emergence and development of the mentioned models exhibits complexity of the independent variables in the production functions. In conventional models, the focus is laid only on the “labour” and “capital” factors. They have dominated the theory during the 50-ies of the last century. The “agglomeration models” became popular after that – in the 60-ies of the XX century. The dominating models in the 70-ies were these for the local environment and the territorial innovation models were imposed after the 80-ies of the last century. They were focused on the interaction between “labour”, “capital” and regional factors for localization as: capacity of workforce, technical and organizational know-how, social and institutional structures and innovation as the key driver of economic progress.

The applied approaches to the development of the periphery proceed in three chronological phases: exogenous, endogenous and a mixed approach to the development. The first one considers the development of peripheral regions as determined by external forces. According to the endogenous approach the development is determined mainly by the local stimuli and resources. The mixed approach denies the polarization of the first two and puts an accent on the interaction between the local and external forces. In this case the development of the peripheral regions is related with the enhanced process of globalization due to the fast technological changes in the information and communication sectors. It is regarded as the formation of a chain of networks, in which the resources are mobilized and the control on the process is based on the interaction between the external and internal forces.

Since the theory of endogenous development has a wide scope, only three concepts for endogenous development are considered, which summarize different views of authors working on the topic and are in the basis of a number of successful EU practices:

- The theory for the development of provincial (peripheral) regions (on a municipal level).
- The theory of J. M. Bryden for the potential of the immobile factors in the development of competition advantages of the peripheral regions (Bryden J.M., 1998).
- The theory of innovative environment.

The first concept relies on the endogenous approach to the economic development of the periphery and focuses on building local capacity and institutional structures. The second concept may be regarded as a specific application of the endogenous

growth model and the third one corresponds to the mixed approach to development. It puts the emphasis on the development of the internal potential of the territory, but in the context of the enhancing process of globalization and regionalization.

While national authorities concentrate their attention to solve the problems of international, national and interregional nature, the regional administration, in close cooperation with the local authorities and the population, is responsible for ensuring the sustainable and consistent territorial development. All mentioned levels should act together on the basis of the priority task for sustainable spatial development. Due to the geographic polarization of economic development and to the growing regional disparities in many of the new EU member-states and the states with impending accession, the strengthening of the regional level of the administrative and political system is especially topical as an instrument for attaining more sustainable and balanced regional development.

The paper thesis considers the relationship between spatial interaction and endogenous development. The accent is laid on the importance of the availability of effective dialogue and equitable cooperation between the “local interested parties” with the objective of creating prerequisites for increasing the attractiveness of a given territory as a new location for business and place of residence.

The endogenous growth models of peripheral regions reflect the specific impact of the non-material factors of technical progress – knowledge, technologies, innovations, human capital. Paul Roumer with his work “New Growth Theory” is considered to be the founder of the endogenous growth theory (Roumer P., 1990)

In the endogenous theory growth is defined by factors and conditions, intrinsically inherent to a given economic system. Technical progress and demographic growth are assumed as internal independent variables and in some of the models – investments too. The theory takes into account the significant role of motives and stimuli of the economic agents, the private sector behaviour and the impact of public institutions and the state.

Ch. Plosser distinguishes two groups of endogenous growth models (Plosser Ch., 1989). The first one focuses the attention on the different types of renewable capital (material-substantial and human), i.e. determined by the knowledge and skills acquired by the workers. The second group of models is aimed at revealing the impact of the external effects on economic growth. However, distinguished in this manner, both groups ignore the factor of “market power of the companies”.

It is considered in the so-called “schumpeterian models of endogenous growth”. The more familiar models of this group are the models of P. Aghion and P. Howitt (Aghion, Howitt, 1992).

It is typical for all endogenous models, regardless of the manner of their construction, that the preferences of the economic agents for savings/investments exert substantial effect on the long-term economic development. In contrast to the neoclassic theory, the endogenous models pay greater attention to the systematic analysis of technical progress and innovation and their influence on growth.

The following issues are taken into account in the present investigation:

a) The model of Paul Roumer (Roumer P., 1990), which is the basis for drawing the conclusions about the benefits from implementing the endogenous development in the Bulgarian planning regions as well :

- Undertaking measures for raising the competitiveness of the local market;
- Active policy for the formation of an adequate local environment that will stimulate the innovations in the private sector;
- Priority of the programmes for developing human capital, investments in fixed capital and free technological transfer with the objective of accelerating the local economic growth and reducing the internal regional differences;
- Obtaining positive effects from the Euro integration.

b) The model of R. Forslid analyzing the interaction between the economic integration and the different types of regional policies as (Forslid, Ottaviano 2003):

- Re-localization of governmental activities in the provincial and peripheral regions;
- Investments in infrastructure;
- Subsidies for local industry.

In contrast to the conventional “centre – periphery” models, where two regions are considered, Forslid includes three asymmetric in size regions. This gives the opportunity to the author to make some additional conclusions, related with: the consequences from the localization in the middle-sized region; the improvement of the relevance of its empirical specifications, etc. The considered model gives the main dependences of the “centre – periphery” relations. It offers the possibility of

making the following conclusions concerning the integration of the less developed regions and the policies that should be adhered to in them:

- In the absence of adequate governmental policy the economic integration may lead to complete deindustrialization of the periphery.
- In order to create a viable agglomeration serving as a counterbalance to the central region, the governmental agencies and their similar structures have to be established in the middle-sized peripheral region. The latter has on its disposal sufficient amount of resources for actual realization of the “bottom-up” approach. In addition, in order to make this regional policy effective, we have to be sure that the revenues from the invested capital really support the industrialization of the periphery.
- The improvement of the infrastructure between the central region and the peripheral ones leads to the deindustrialization of the latter, while the improvement of the internal and interregional infrastructure substantially increases the attractiveness of the periphery with respect to business localization.
- The governmental subsidies are effective in the case of weak agglomeration forces, i.e. the grants are effective in case of both low and high degree of economic integration. Hence the deeper is the integration process the more effective will be the European regional policy.

In the second half of the 90-ies of the XX century a trend was formed in the EU towards transformation of regional policy in the direction of creating conditions for effective utilization of the absolute and relative advantages of the individual regions. In order to implement the endogenous growth, reforms of regional management of EU are carried out, their basis consisting in enhancing local competitiveness, reducing interregional disparities, providing adequate information to the territorial management and others. The mentioned measures represent also an interest for other countries undertaking attempts for similar development. The cardinal question that should be legally elucidated concerns the distinguishing of the powers between the levels of central and regional authorities (Tsvetanova E., 2007).

The innovatory approaches based on endogenous development and applied in the European countries are:

- Models, realized on a regional level (after the example of Scotland);
- Models for cooperation (the LEADER programme);
- Models, realized on a rural level (after the example of Finland).

The “innovative environment” concept is studied in detail, since in the context of the enhanced globalization and regionalization process the system for endogenous development is enriched with the following components: strengthening of networking cooperation (with inclusion of external interested parties), the scientific-technical progress (STP) and its institutional background, translation of external technological and organizational experience. The emphasis on the latter makes it possible to create a special type of “public environment” in the peripheral regions, which contributes to attracting innovative industries in them.

The “innovative environment” concept is based on the utilization of local resources, the achievement of a synergy between local players, external networks, as well as on the continuous innovation process, which should comprise not only high technologies but also all sectors of economy. The collective gaining of experience suggests that the technological and organizational development should be the “engine” for creating an “innovative environment”. The basic function of this environment consists in “reducing uncertainty by collecting and disseminating information”.

In a study on peripheral regions of the researchers of GREMI concerning the existence of “innovative environment”, Camagni R. states that the interactions between the external and local institutions and companies may be rather qualified as restricted (Camagni, 2000). He calls this a “potentially innovative environment” if local synergy has not yet brought to greater innovative activities or “innovations with no environment” in the situation when the innovative activities are already developed by the local companies, which do not rely on regional relationships.

Analysis of the central and peripheral regions

The “centre – periphery” problem arises when the integration, harmony and balance are seriously disturbed or entirely missing in such relationships as: “administrative centre – the rest of the settlements”, “town – village” or “urbanized – rural regions”, “town centre – suburbs”, etc. This means that when analyzing the development of the regions, municipalities and settlements, the word goes about an existing problem of the type “centre – periphery” or central and peripheral regions. This problem occurs only when there is mutual dependence between them and the development of some territorial communities proceeds at the expense of the underdevelopment of others. The public perceptions of the problem are expressed mainly in the contradistinction of two types of territorial communities. Usually the central regions are identified with dynamic economic, social and cultural life, while the periphery is characterized by features as lagging behind in economic, social and cultural life.

The settlement network is relatively uniformly developed throughout the whole national territory of Bulgaria. However, the network of big towns – strongholds of the general social-economic development, is non-uniformly developed. This provokes the emergence of central and peripheral regions and determines interregional and especially internal-regional differences, which are typical for the country and generate problems for the national policy of regional development.

This problem acquires particular relevance in terms of improving the spatial organization of territorial communities. When solving it, the specificity in their development has to be taken under consideration, and respective differentiated strategy for development has to be applied in order to achieve unity in the planning and construction of the territory on the basis of the adopted Strategies for municipal development 2000-2006 and the ensuing from them Municipal plans for development 2007-2013.

The formation and development of the settlements is a long and continuous process, affected by a number of natural, social and other factors. Some of the settlements are transformed into complex settlement structures. These structures are formed by different settlements with respect to their demographic mass, construction of the material-technical basis and the processes occurring in them, their dynamics being dependent on their hierarchical order.

The big town centres and the settlement agglomerations formed around them are “merging”. Their development is beyond the boundaries of the modern town and represents a transition of conveyance functions and activities from the town centre to its close periphery. This is also the way of formation of the agglomeration areas by the transfusion and intertwining of adjacent complex settlement formations along the Euro corridors. They represent the basis of the central regions in Bulgaria.

The elucidation of the methodological and methodical bases for distinguishing the “centre – periphery” problem or central and peripheral regions from the other problems of regionalistics is a very important stage of the analytical work preceding the preparation of regional programmes and their implementation.

To identify the “centre – periphery” problem, it is necessary to consider as a unity at least two groups of territorial communities (regions, municipalities, settlements, etc.). When polar concentration of predominantly favourable social-economic characteristics is observed in some territorial communities at the expense of other communities, where mainly unfavourable features have been accumulated, then

we can say that a “centre – periphery” problem is available (Tsvetanova, E. 2007). When such polar concentration of the mentioned characteristics is absent we have no grounds to consider that the problem is available. In this case two situations are possible:

- first, when the characteristics of all territorial communities in the studied totality are relatively favourable – then there is good integration between them and no polarization in “centre” and “periphery” is observed;
- second, when these characteristics are relatively unfavourable – then the territorial communities are not integrated between themselves and it may be assumed that they are the “periphery” of another “centre”.

Here it is very important to take under consideration one characteristic feature of the “centre – periphery” problem – its hierarchy. One and the same territories or settlements may represent a “centre” with respect to affiliated to them peripheral territories and settlements, and at the same time may be a “periphery” with respect to others. Moreover, it has to be taken into account during the analysis that the favourable or unfavourable characteristics themselves, which determine the territorial communities as central or peripheral, may be historically inherited or acquired in subsequence.

The presence or absence of natural raw material resources and the degree of their exploitation are an important economic prerequisite for the polarization of the territories into “centre” and “periphery”. At the same time, the unbalanced development of a given territory only as a source of raw materials *a priori* transforms it very often into a peripheral one. Usually the territorial communities with diversified economy are central and these with mono-structural economy are peripheral.

According to the character of their development the individual branches of economy also play an important role for determining the status of a given territorial community as central or peripheral one. In principle, the development of the highly technological sectors as electronics, electrical engineering, machine building, etc., is related to the existence of scientific centres, technological parks or innovation transfer. It is determinative for the transformation of a given territory into a central one. Other sectors, for example agriculture, if developed at a low technological level, are typical for the peripheral regions.

Modern agriculture is related with many accompanying activities at the input and the output, as well as with strongly developed infrastructure. For this reason, a

typical agricultural region can play the role of a centre with respect to industrial regions with fading extraction (mining) sectors or outdated industries.

The inefficient management and regional policy or single subjective decisions may cause serious polarization of the territorial communities. For example, the existing global “centre (big cities) – periphery (villages)” problem is the consequence from the policy of enhanced industrialization carried out in Bulgaria. This policy has drained the life-forces of the villages (financial, material and human resources) in the course of decades, converting them into a huge periphery. The result of this policy is the so-called “internal periphery”, comprising the villages and some small towns on both sides of the Balkan.

Subjective mistakes or disturbances in the basic principles of town planning can also provoke the emergence of the “centre – periphery” problem within the range of any settlement. The results of such mistakes are the overcrowded with functions and infrastructure urban centres and the peripheral regions, transformed into public bedrooms.

Some subjective decisions for concentration of the administrative, social-health, educational and other services for the population in a smaller number of settlements are also referred to the management factors for the poles of “centre” and “periphery” formation. Although economically logical, these decisions may lead to broadening of the peripheral regions, if the corresponding integrating (connecting) infrastructure is absent.

During the transition to market economy there are positive manifestations, directed to restraint of this problem, as well as negative ones that aggravate it.

The negative aspects are expressed mainly in:

- continuing depopulation of whole regions, which will be transformed into “dead” ones with time;
- the economic crisis took place in the regions with artificially transferred industries from the interior of the country;
- agricultural crisis took place in the regions, where the restitution of land ownership was delayed.

The positive aspects are expressed in:

- enhanced entrepreneurship in “peripheral regions” – border, rural and suburban quarter areas, etc.;
- enhanced interest in the boundary regions with Greece, Macedonia and

- Serbia after opening of the borders with respective development of services, infrastructure, etc.;
- attenuation of the permanent migration processes in regions with potential for development.

Policies for mitigating the “centre – periphery” problem

The main requirement towards the policy for mitigating the “centre – periphery” problem is the adequate national policy. The leading of a successful policy for eliminating the problem with the central and peripheral regions may consist in the following:

- stimulation of the integration relationships and aspiration for economic growth based on own resources (endogenous development), development of small and medium business;
- development of all types of services for the population, even though not always effective for the state, in order to give a certain “equal” life standard on the territory of the whole country and especially in the peripheral regions, where it has to be a priority;
- protection of the environment, preservation and enrichment of the national heritage;
- development of the telecommunication system and overcoming the feeling of detachment within the frames of the region, municipality and settlement.

The policy for counteraction against the “centre – periphery” problem has to be focused on the permanently acting factors. It is necessary to encompass with priority the factors in the field of economy and infrastructure and in utilizing the natural and human resources, which are of determinative importance for the status of a given territory as a central or peripheral one. The factors of the second group, which are expressed as a consequence of the status of the given territorial community as a “periphery”, should be a priority object of impact in the cases, when degradation processes are observed in the social sphere, culture and public life.

The phenomenon of central – peripheral regions may be considered in several aspects in order to reveal the differences and to outline basic principles for the economic, social and territorial policy of the country. The ideas about the different territorial communities, modern towns and settlement network are shown here in the context of the practice in Europe and our positioning in it.

An attempt is made for generalizing the “centre – periphery” phenomenon in various sections of space. The territory cannot be and should not be considered as a homogenous structure with the centre and periphery components, as well as the municipalities and settlements in a given territory cannot be assumed as closed local systems. The investigation of the differences is aimed at changing the impact on the territorial communities, as well as at directing the policy towards stimulation of their development.

What is the price of the peripheral situation of Bulgaria in Europe?

The country is situated at an important crossroad of Europe. With the liberalization of movement and exchange of loads, goods, information and contacts of people the Bulgarian national space strives for a more responsible and communicating world, which is a factor for the development. There are possibilities for more active behaviour of Bulgaria in the sphere of technical infrastructure under the conditions of still more enhanced competition between the single countries in the region for the construction of international infrastructural corridors across their territory. The realization of the technical infrastructure will be improved and further developed, and will balance the existing infrastructural network, contributing to the active integration of the country on the Balkan Peninsula and in Europe, as well as to the incorporation of the peripheral regions of East Europe.

Bulgaria is the only country in Central and Eastern Europe crossed by five developed by priority European transport corridors. They ensure the integration of the transport network of the country in the Pan-European and global ones, open the national territory towards the neighboring countries and stimulate the cooperation and collaboration in different spheres of social life. The further construction of the transport corridors will activate also the peripheral territories of the country and Europe, crossed by them.

At present, the impact of the corridors is restricted to a great extent and approaches to the “tunnel effect”. This is also valid for the regional networks on micro level, which would have broadened the zone of influence of each of the corridors in the depth of the peripherally situated territories. The “opening” of the territorial periphery of the country is already really felt. The extension of the economic collaboration and the cooperation with the neighbouring countries, the joint utilization of local natural resources, the activation of local economy, etc., represent steps towards the overcoming of the “centre – periphery” problem on a national level. It is necessary to realize that the towns from the periphery of East Europe and their remote distance from the centre should not confront them to the

other towns. They need a more different strategy for development for improving the existing and emerging new potential.

The settlement network in Bulgaria is peripheral not only with respect to the geographic-economic centre of Europe. The single elements of this system differ strongly according to their significance and connections between them. They are multiform and with different intensity. The economic development is closely related to the settlement network – it is necessary to build a settlement network affiliating the peripheral regions, in order to enhance the distribution of activities in a territorial aspect.

Models for territorial development

The “centre-agglomerations-periphery” analysis on the lowest level of the national space from the position of the modern town – the diffuse town, is in the basis of the changes in the settlement network. The new aspects consist neither in “discharging” or “transferring” the functions of the traditional town, nor in extending the scale of its physical structure, but represent development as a space – densely constructed and built. This is the final stage of the processes in modern town evolution. The new aspects are expressed in the transformation of some components of the town or more precisely in attenuation of the hierarchy over the space and inclusion of the village as its basic component, i.e. in reticular diffuse urbanization.

Furthermore, the common network of centres-agglomerations-periphery forms the national territorial structure as a whole, and this internal structure, which is a component of the total European network, is highly important for the complete integration of the country in the European space. The distributed phenomenon is encountered in two principal forms: maximal extension of the crown-ring of the biggest cities and expansion of single zones of the diffuse town. In both cases the phenomenon is presented as a process of “densification” of certain territories, i.e. concentration of the national, regional and local level in them compared to the big urban centres. The following situations were formed in the 90-ies: “Strong” integrated territories, which are:

- big monocentric compact centres, obtained by densification and extension;
- polycentric territorial systems – agglomeration formations that are not of the classical type but have a strip-like form, situated along the big transport highways and coastal conurbations.

“Weak” territories – distinguished by retained and fading social-economic development and demographic decline but possessing other valuable characteristics: possibilities for intensive agriculture, tourism and other natural reserves, as well as territories with declining economy.

Periurbanization represents a phenomenon of creeping and occupying territory by urbanization, observed in polarization, which is displayed as progressive expansion of the external rings and radial bifurcations, and as a trend towards reducing the inhabitants in the central centres. This is a phenomenon in the fields of polarization, which are overlapped and confirmed by the reticular non-polarized expansion, corresponding to the big urbanized territories of the diffuse town (Shishmanova M., 2005).

In this way three ways of development are formed: ordinary periurbanization, reticular diffusion and overlapping of both types. The ordinary periurbanization may be integrated as a situation of lower development, depending only on the service functions in a narrower spectrum of social services and production activities. The reticular diffusion is typical for the mixed residential fabrics (residence and production), formed by both the internal dynamics of the processes and the decentralization in a bigger radius. In the places, where the two types superpose and overlap territories with mono- and polycentric complex settlement formations occur, i.e. a prerequisite is created for territories preferable for small and medium business, as well as for development of modern tertiary sector (Shishmanova, M., 2005).

These big typologies represent only one framework scheme, in which differently sensitive processes and situations are interlaced. The “transfusion” and overcoming of the centre – periphery spatial-functional phenomenon, needs the support of the form – dimension relationship on the one hand, and an urbanization process, on the other hand.

The functioning of the high level centres always coincides with the centres of the agglomeration formations. The functioning of the medium level centres has the trend towards reticular distribution on the territory, provoking the increase of mobility. This functional qualitative characteristics turns out to depend still less on dimensions and on the proximity to a certain agglomeration centre, while the possibility for access to the network and the specificity of the environment become determinant in many cases.

The territory may no longer be regarded as a homogeneous space, structured by the centre – periphery components, nor can be the towns considered to be local closed systems. There is an internal cohesion with gradient processes and exact physical manifestation. The physiognomy, the outlook of the territory becomes infinite, with overlapping of many networks-connections, in which the towns are represented as nodes (Shishmanova M., 1999).

The formation of a network of towns represents in fact a non-hierarchical organized system of horizontal communication and cooperation relationships between the towns. The specialization of their functions is determined as relations between partners but also as relations of competition and rivalry. In retrospection the attempts for constructing such networks may be pointed out:

- in the tertiary sector – education, health care, etc., these networks have been and are in a hierarchical order, but their functioning is unsatisfactory;
- production networks – a town with generation centres and with emerging employment in them. Due to different reasons these networks were first affected by the economic crisis;
- in the sphere of the technical infrastructure (power generation, telecommunications, transport, water economy system) by built infrastructural networks – linear infrastructural elements (axes) and nodes, which are the nuclei of towns or single towns. From the viewpoint of technology and functioning of the infrastructural networks the grouping of the linear elements in communication strip zones offers significant advantages: integration, addition, socialization, and in case of necessity – mutual interchangeability and cooperation. These are materialized physical networks, superposed on the territory and requiring improvement and incorporation in the international networks (Shishmanova M., 1995).

At the present moment financial-crediting, servicing and media information networks, as well as labour employment networks, are realized on both urban and interurban level. A strategic cooperative network between the regional centres is in a process of realization for exchange of information, joint work on certain projects, etc. Real and virtual transborder connections exist between the towns.

These networks exist and are intertwined as communication, information and telecommunication and production ones. They are built on territory with various density and dynamics and are more or less stable and significant. The Internet international network already connects all towns.

The specialized urban network – for example of the international airports, international ports, fair cities, economic zones, etc., might turn out to be useful. Another aspect, which would be important for the “correct placing” of Bulgaria in the map of Europe, as well as for regional policy and hence – for territorial planning, is the incorporation of our big cities, expressed as poles of growth – Sofia, Plovdiv, Varna, Burgas and Ruse, in the European network of towns – poles of growth and development.

The development of a network between the settlements on the low levels is also an important issue, for example, between the centres of the rural and underdeveloped regions, etc., by means of dynamic connections with the high levels, so that the isolation from the overall information exchange and hence – the decline of the problematic territories and the display of the “centre – periphery” problem could be avoided.

The theoretical treatment of the “centre – periphery” problem, made on a macro level, may be particularized in a study of this phenomenon on the territory of one district or in an individual municipality.

Approach to the particular investigations

In order to make particularized investigations by comparative analysis, the municipalities, respectively the settlements, are assumed to be multi-dimensional objects. Groups of systems of parameters are composed with generalizing, as well as integral assessments for studying the degree of development of the settlement structures, the degree of completion of the built technical infrastructure and the level of social and economic development of the municipality.

On the basis of multiple quantitative parameters the applied taxonomic method provides the possibility of juxtaposing, comparing and characterizing the territorial communities on a national, district and municipal level.

The considered parameters have different measurement units and are standardized in order to reduce them to a comparable form. The magnitude of the generalizing parameter indicates the level of development and the closer is it to the standard, the higher is the degree of development and vice versa. The territorial communities are ranked by means of the generalizing parameter and thresholds are determined for their grouping. In this way the multi-dimensional object-municipality may be characterized in many aspects.

The repeated application of the taxonomic method, but already on the basis of the generalizing assessments, leads to the integral assessment of development. On the basis of the generalizing and integral assessments decisions can be made for the management of the processes in the territorial communities.

This method offers objective evaluation of the studied structures and the possibilities for their perspective development.

The municipalities, forming agglomeration areas, are ranked in the first places. They are graded very precisely and show the “merging” of these settlement structures in the territorial range of the municipality (Shishmanova M., 1995)

The presented approach and the used methods on meso- and micro-level can be applied on a macro level too, revealing different scenarios and thus making the necessary management solutions. They provide the possibility of composing programmes with priority tasks, which contribute to overcoming the centre – periphery contradistinction.

Conclusions

The endogenous development is a non-traditional method for increasing the effectiveness of regional policy and the development of peripheral regions. The EU member states have responded to the challenges of regional development by establishing specific institutions and conditions for supporting the possibilities for the peripheral/ provincial regions to increase and diversify their production potential and to achieve relative economic autonomy from the “centre”.

The analysis of the European practice allowed the formulation of recommendations for regional development of the newly accessed states, of Bulgaria including, in the following directions (Tsvetanova E., 2007):

- The local response to the global challenges is different for the individual peripheral regions. This is due to their unequal potential. The settlements with strong civil society are capable of realizing local development, based on the growth of local small and medium enterprises. Other regions, in which there is no awareness of all “local interested parties”, will continue to rely on external help for initiating the process of development.
- The social relationships and entrepreneurial culture are of crucial importance for the successful development of the peripheral regions. The role of local policy is very significant because it is expected from it to create, improve

and develop the necessary conditions for realizing the local development. This policy should be oriented towards the environment, in which business and society as a whole are developed, and not only towards supporting certain contractors or enterprises. Its role consists not only in improving the local infrastructure and ensuring financial resources. It finds expression in the stimulation of institutional development and increasing the number of local social, formal and informal organizations and other initiatives that could enhance the economic activities in the region and gain the support of local population.

- The implementing of the endogenous approach to the development requires the active position of all “interested parties” and the readiness for cooperation and networking on equal basis with the aim of realizing the accepted priorities in the strategic regional plans. The positive side of the Bulgarian practice is that the legal framework corresponds to the engagements and requirements undertaken by the country in connection with its accession to the EU. However, it has to be pointed out that there is lack of administrative capacity, long-term vision and not in the last place – low commitment of business and society, when developing the programs for these strategic documents.

In strategic aspect the endogenous development and spatial-economic interaction are realized by the business networks and regional economic clusters. The views about the applicability of the concept for endogenous development in regional practice in Bulgaria and the fact that it will catalyze the effectiveness of the process of regional development may be summarized in three hypotheses:

- The EU practice proves the application of the “bottom-up” approach to regional policy as a strategic necessity for the achievement of sustainable development and growth;
- The endogenous development is a means for overcoming the insufficient information and apathy of the “local interested parties” from the peripheral regions with respect to regional development;
- To realize the concept of endogenous development in the Bulgarian periphery, it is necessary to ensure continuous, institutional and equitable interaction between all “local interested parties”.

As a result of the aspiration for cohesion with the common regional policy, the need of individual approach to the development of the regions is still not sufficiently considered in the Bulgarian practice and this may lead to aggravation of the problem with the central and peripheral regions. The non-traditional methods

as the endogenous development – may provide flexible solution of the regional development problems by activation of the internal potential of a given territory and finding the most suitable position in global economy.

The integration process in Bulgaria requires that the country should be in harmony with the trends for transforming the regional policy of EU since the end of the last century. The efforts should be focused on the effective utilization of the absolute and relative advantages of the individual regions and especially on the development of the concept for endogenous growth and the application of the “bottom-up” approach. One of the greatest challenges for Bulgaria in this respect is to give more freedom to local self-government.

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