

The Sofia City-Region

Development Path and Current Situation

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University of Amsterdam

Amsterdam institute for Metropolitan and International Development Studies (AMIDSt)

Nieuwe Prinsengracht 130

1018 VZ Amsterdam

the Netherlands

tel: +31(0)20-525 4063

fax: +31(0)20-525 4051

e-mail: o.gritsai@uva.nl

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The Sofia City-Region

Development Path and Current Situation

ACRE report [No.]

Evgenii Dainov
Ivan Nachev
Maria Pancheva
Vasil Garnizov



Accommodating Creative Knowledge – Competitiveness of European Metropolitan Regions within the Enlarged Union

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AMIDSt, Faculty of Social and Behavioural Sciences, University of Amsterdam

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Management team	Sako Musterd (Project Coördinator) University of Amsterdam, Amsterdam institute for Metropolitan and International Development Studies Olga Gritsai (Project Manager) University of Amsterdam, Amsterdam institute for Metropolitan and International Development Studies
Participants Amsterdam	Marco Bontje University of Amsterdam, Amsterdam institute for Metropolitan and International Development Studies Wim Ostendorf University of Amsterdam, Amsterdam institute for Metropolitan and International Development Studies Post doc University of Amsterdam, Amsterdam institute for Metropolitan and International Development Studies
Barcelona	Montserrat Pareja Eastaway Universitat de Barcelona, Escola d'Empresarials Joaquin Turmo Garuz Universitat de Barcelona, Escola d'Empresarials Montserrat Simó Solsona Universitat de Barcelona, Escola d'Empresarials Lidia Garcia Ferrando Universitat de Barcelona, Escola d'Empresarials Marc Pradel i Miquel Universitat de Barcelona, Escola d'Empresarials
Birmingham	Alan Murie University of Birmingham, Centre for Urban and Regional Studies, School of Public Policy Caroline Chapain University of Birmingham, Centre for Urban and Regional Studies, School of Public Policy John Gibney University of Birmingham, Centre for Urban and Regional Studies, School of Public Policy Austin Barber

- University of Birmingham, Centre for Urban and Regional Studies,
School of Public Policy
- Jane Lutz**
University of Birmingham, Centre for Urban and Regional Studies,
School of Public Policy
- Post doc**
University of Birmingham, Centre for Urban and Regional Studies,
School of Public Policy
- Budapest
- Zoltán Kovács**
Hungarian Academy of Sciences, Geographical Research Institute
- Tamas Egedy**
Hungarian Academy of Sciences, Geographical Research Institute
- Attila Csaba Kondor**
Hungarian Academy of Sciences, Geographical Research Institute
- Balázs Szabó**
Hungarian Academy of Sciences, Geographical Research Institute
- Dublin
- Declan Redmond**
School of Geography, Planning and Environmental Policy, Richview,
University College Dublin
- Brendan Williams**
School of Geography, Planning and Environmental Policy, Richview,
University College Dublin
- Niamh Moore**
School of Geography, Planning and Environmental Policy
- Martin Sokol**
Queen Mary, University of London, Department of Geography
- Helsinki
- Mari Vaattovaara**
University of Helsinki, Department of Geography
- Tommi Inkinen**
University of Helsinki, Department of Geography
- Kaisa Kepsu**
University of Helsinki, Department of Geography
- Leipzig
- Joachim Burdack**
Leibniz-Institut für Länderkunde
- Günter Herfert**
Leibniz-Institut für Länderkunde
- Bastian Lange**
Leibniz-Institut für Länderkunde
- Milan
- Enzo Mingione**
Università degli studi di Milano- Bicocca, Dipartimento di Sociologia e
Ricerca Sociale
- Francesca Zajczyk**
Università degli studi di Milano- Bicocca, Dipartimento di Sociologia e
Ricerca Sociale
- Elena dell’Agnese**

- Università degli studi di Milano- Bicocca, Dipartimento di Sociologia e Ricerca Sociale
Silvia Mugnano
 Università degli studi di Milano- Bicocca, Dipartimento di Sociologia e Ricerca Sociale
- Munich
Gunter Heinritz
 Seminar für Sozialwissenschaftliche Geographie
Sabine Hafner
 Seminar für Sozialwissenschaftliche Geographie
Manfred Miosga
 Seminar für Sozialwissenschaftliche Geographie
Anne von Streit
 Seminar für Sozialwissenschaftliche Geographie
Rafael Stegen
 Seminar für Sozialwissenschaftliche Geographie
- Poznan
Tadeusz Strykiewicz
 Adam Mickiewicz University, Institute of Socio-Economic Geography and Spatial Management
Jerzy J. Parysek
 Adam Mickiewicz University, Institute of Socio-Economic Geography and Spatial Management
Tomasz Kaczmarek
 Adam Mickiewicz University, Institute of Socio-Economic Geography and Spatial Management
Michal Meczynski
 Adam Mickiewicz University, Institute of Socio-Economic Geography and Spatial Management
- Riga
Anders Paalzow
 Stockholm School of Economics in Riga
Diana Pauna
 Stockholm School of Economics in Riga
Vjacheslav Dombrovsky
 Stockholm School of Economics in Riga
Roberts Kilis
 Stockholm School of Economics in Riga
Arnis Sauka
 Stockholm School of Economics in Riga
- Sofia
Evgenii Dainov
 New Bulgarian University, Centre for Social Practices
Vassil Garnizov
 New Bulgarian University, Centre for Social Practices
Maria Pancheva
 New Bulgarian University, Centre for Social Practices
Ivan Nachev
 New Bulgarian University, Centre for Social Practices
Lilia Kolova

Toulouse

New Bulgarian University, Centre for Social Practices

Denis Eckert

Université de Toulouse-II Le Mirail, Centre Interdisciplinaire de
Recherches Urbaines et Sociologiques

Christiane Thouzellier

Université de Toulouse-II Le Mirail, Centre Interdisciplinaire de
Recherches Urbaines et Sociologiques

Elisabeth Peyroux

Université de Toulouse-II Le Mirail, Centre Interdisciplinaire de
Recherches Urbaines et Sociologiques

Michel Grossetti

Université de Toulouse-II Le Mirail, Centre Interdisciplinaire de
Recherches Urbaines et Sociologiques

Mariette Sibertin-Blanc

Université de Toulouse-II Le Mirail, Centre Interdisciplinaire de
Recherches Urbaines et Sociologiques

Frédéric Leriche

Université de Toulouse-II Le Mirail, Centre Interdisciplinaire de
Recherches Urbaines et Sociologiques

Florence Laumière

Université de Toulouse-II Le Mirail, Centre Interdisciplinaire de
Recherches Urbaines et Sociologiques

Jean-Marc Zuliani

Université de Toulouse-II Le Mirail, Centre Interdisciplinaire de
Recherches Urbaines et Sociologiques

Corinne Siino

Université de Toulouse-II Le Mirail, Centre Interdisciplinaire de
Recherches Urbaines et Sociologiques

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1. Bulgarian Background: Economic Growth and Social Change

1.1 Introduction

The Republic of Bulgaria is a country in South-Eastern Europe. It is situated in the Eastern half of the Balkan Peninsula. It borders east on the Black Sea, south on Greece and Turkey, west on Serbia and The Republic of Macedonia and north on Rumania, divided by river Danube. The total length of the country frontiers is 2,245 km, 1,181 km of which are land, 686 km a river– frontage, and 378 km a sea- frontage. Its land mass is some 111,000 sq.km., making it, at half the size of Great Britain, one of the bigger medium-sized European countries.

The Republic of Bulgaria became a member of the European Union on 01.01.2007.

The road network in Bulgaria is long 36,720 km and the railroad one is 4,300 km.

1.2. Bulgarian Economy

The first steps of the Bulgarian economy in its modern meaning date from the beginning of 19th century, when Bulgaria becomes known for its agricultural produce and textiles. In the first third of 20th century the country is one of the largest producers and exporters in Europe of early vegetables, fruit, milk, cheese, butter, and meat. Industry is developing in moderate rate until mid-20th century, when the Bulgarian communistic government decides to turn it into the industrial giant of the Balkans. This policy succeeds to a certain extent, at the cost of plundering resources from agriculture and savings, environmental degradation and a mismatch between the heavy industry built and the raw materials available for it.

Much of the industrialisation effort is driven by the desire to increase the numbers of the working class, which is a fundamental doctrine, requiring opening of new state enterprises, establishing of new factories and plants, building of power-plants, industrial compounds, and reservoirs. An important resource becomes the free ‘youth-brigade’ labour of students and soldiers.

At the time, Bulgaria is bound with the economy of USSR and the ex-socialist countries through the contemporary economical organisation Council for Mutual Economic Assistance (Comecon), which supports certain branches in the manufacturing and revives the trade between these countries. On the other hand, Bulgaria has no choice and cannot initiate the market and competitive import-export of goods, because of the lack of trade alternative. In the 1980s, the inability of the economy to attract and use financial capital needed for modernisation, as well as the lack of desire of the ruling Communist party to eradicate or reform loss-making enterprises leads to accumulating of enormous foreign debt. This is compounded by a mid-1980s Soviet decision to stop selling fuel to Bulgaria at nominal prices, which leaves industry with untenable fuel bills. The maintenance of artificially low prices leads to a number of negative effects, such as power cuts and insufficiency of consumer goods. Around the end of the decade, Bulgaria is no longer able to pay its foreign debt and declares a default in 1990. Its weakly competitive economy, left without the network of the Comecon and losing Soviet markets, to which it is geared, enters into a spin-dive.

In contrast to other eastern European countries, the state largely maintains its control over the economy until the second half of the 1990s. Privatisation is limited and corrupt,

which leads to arising of the so called 'grey economy' or 'shadow economy'. The first symptoms of reviving appear in 1994, when the country GDP (Gross Domestic Product) increases and the inflation slumps, but the biggest downfall comes at the end of 1996 and the beginning of 1997, during the socialist government of Jan Videnov, when the economy contracts again by up to half, because of the hyperinflation and the collapse of the financial system and banking. The UN sanctions towards Yugoslavia also hit hard the Bulgarian economy. The new government, which takes office in the spring of 1997 introduces a package of economical reforms, supported by the International Monetary Fund Board and the World Bank, including a currency board regimen; thus with this the economy starts stabilising.

Since 1997, Bulgaria is on its way to economic stability: the GDP increases with 4-6 per cent per year, and macroeconomic stability is maintained. The direction, taken by the government towards EU and NATO membership brings increase in investor trust in the Bulgarian economy. The national currency 'lev' (BGN) is successfully pegged to the DEM, and later to the EURO.

The government elected in 2001 pursued, albeit with less energy, the economic course of its predecessor and market economy emerges, closely linked to the EU countries. In 2004 Bulgaria concluded negotiations with EU and accession date was set for 1 January 2007. The government still faces problems related to high unemployment, mis-match of skills, low living standards and corruption within the state administration. The EU has been heavily critical of the inefficiency of the legal and law-enforcement system.

Today Bulgaria is exports mainly agricultural produce, electric trucks, electrical power, and non-ferrous metals. The country is famous for being a producer of yoghurt and dairy produce, oil-yielding rose products, flowers, different sorts of wine and local brandy. Bulgaria imports a large amount of equipment, computers, audio, and video equipment, household goods and commodities, confection and raw materials for manufacture. Tourism increasingly becomes a major income-generating industry.

1.3. Bulgarian Population

According to data from the National Statistic Institute, the Bulgarian population in 2005 is 7,720,000, down from almost nine million in the late 1980s. This count includes Bulgarian citizens living permanently abroad. Their number is conservatively estimated to 700,000. According to the Census in 2001, 83.9 per cent of the state population is Bulgarians; two of the largest ethnic groups are the Turks (9.4 per cent) and the Roma (4.7 per cent). The rest two per cent include Armenians, Russians, Rumanians, Ukrainians, Greeks, and Jews. 84.8 per cent of the population speak Bulgarian, which is the official language.

The demographic structure is deteriorating. The average age of working people is 42. According to official information, every year around 110,000 people die in Bulgaria, while the births are around 70,000-75,000 per year. This means that yearly the state population decreases with 40,000. The statisticians point out, that the birth rate among the Bulgarian population increases slowly with 5,000 to 6,000 children a year since 2001. This means that the negative growth of the population, with such developing rate in mind, would maintain until 2022, when it is expected that the birth and the death rate will equalise its indexes (100,000 to 100,000).

Most Bulgarians are Eastern Orthodox (83.9 per cent), while 12.1 per cent profess the Islam, 1.7 per cent are Roman Catholics, 0.8 per cent Judaism, and the rest 1.6 per cent are protestants and others.

2. Introduction to the region

2.1. Sofia – brief description

Sofia is situated close to the north mountainside of Vitosha, in the surrounded by mountains Sofia plain (Stara planina, the Sredna gora, Lyulin, Lozen mountain). Four mountain passes lead to the city – Vladaya, Dragoman, Petrohan, and Botevgrad pass. Since ancient times the important roads were passing through them, connecting the Adriatic and Central Europe with the Black and Aegean Sea and the Near East.

Several shallow rivers, the largest of which are Vladayska and Perlovska run through the city. Near the eastern residential districts runs the Iskar River, but this particular part is not very large and deep. Since, antiquity Sofia has been famous for its numerous mineral and thermal sources (15 sources with a total debit of 130 litre/sec of mineral water), and artificial lakes have been built in the past 60 years.

Sofia has a total area of 1,311sq.km, situated at 550m altitude.

The population of Sofia (2006) is 1,377,531. Men form 47.5 per cent, and women 52.5 per cent of the population. The largest residential district is Lyulin with 110,117 residents, followed by Mladost with 95,877 residents, Poduyane with 75,312 and Krasno Selo with 72,773 residents. The biggest number of residents is aged between 18 and 64 (790,180 people), followed by those up to 18 years old (201,202) and those over 65 years old (183,049).

The population density at the end of 2000 was 909.1 persons/sq.km. It is estimated that the actual population of Sofia is considerably bigger than official figures reveal.

The city produces some 1/3 of the nation's GDP with 1/5 of the workforce. All central government institutions are concentrated in the capital city. The capital city generates over 30 per cent of the total government tax income, and a high rate of employment and lower unemployment of the average country index are typical for the city.

2.2. Location

In *physical geographical aspect* Sofia is part of the Sofia plain and takes parts of the surrounding mountains (Sofiiska, Lyulin, Vitosha, Lozen, Plana).

From a *regional and territorial standpoint and its place among the other administrative units* Metropolitan municipality is part of the *Southwest planning region*.

The centre of the region is the city of Sofia and is also administrative centre.

The transport geographical (communication) location of the region and particularly of its centre is a historical factor for Sofia's development. Its location as crossroads has had a positive influence over the origin and further city development of Sofia and the close populated areas. This location gives name to the factor 'Sofia crossroad'. Exactly this factor is significant nowadays for the layout determination of the *transcontinental and trans-European* transport corridors.

Four of these transport directions cross here: tri-continental diagonal highway Northwest-Southeast (London – Budapest – Sofia – Istanbul – Calcutta – Melbourne), meridian Euro-African highway (Helsinki – Moscow – Sofia – Thessalonica – Cairo – Cape town) , diagonal Euro-African highway (Tunis – Durren – Sofia – Bucharest – Odessa –

Omsk) and the developing transport corridor around the 40th parallel from Caspian Sea through Black Sea towards Adriatic Sea (Poti – Varna – Sofia – Skopje – Durres).

On the Metropolitan municipality territory cross three of the trans-European transport corridors:

- corridor 4 – Budapest – Vidin – Sofia – Thessaloniki (Istanbul);
- corridor 8 - Durres - Skopje – Sofia – Bourgas – Varna);
- corridor 10 – Belgrade – Sofia – Plovdiv - Istanbul.

In the context of transport-communicational location of Metropolitan municipality *the Balkan and national roads* are important elements of *the Sofia crossroad*. Sofia has the characteristics of a real geographic transport centre on the Balkans. If we compare the distances between the Balkan capitals and some bigger cities, measured along the international roads, crossing the region, we will notice that the shortest average distances are typical for Sofia – 455km, followed by Skopje – 523 km and Thessaloniki – 530 km.

This is a significant resource for the future development of the city as an important centre within the country, but also in the South-Eastern European region.

The developing of *strategic transport-communicational location* of the region should be supported by a suitable transport – communicational policy. The use of this potential will reflect over the social and economical development of the Metropolitan municipality and the country in general.

2.3. Nature and resources

Terrain

Metropolitan municipality is characterised with varied terrain. In general it can be described as *valley, slope, and mountain type*. In direction north-east the terrain is mountainous; to the south it turns into a valley (Sofia plain has the lowest foot of Stara planina). To the south the valley terrain changes into mountainous (Vitosha, Plana, Lozen mountain, Lyulin).

Important for the development of the municipality (and particularly Sofia city) are the number of *man-made features*, which add to the naturally formed character of the terrain lay. These are the artificial reservoirs (Iskar dam, Pancharevo lake), road-engineering installations (viaducts and bridges on the Hemus and Trakia highways) etc.

Climate

The region is part of *the temperate continental climatic area* in Bulgaria. The average yearly temperature of the air changes from +10.0 in Sofia plain to +1.8 in the alpine zone. The average annual temperature of the air in the lowland and semi-alpine zone is +8.0 and +5.0 . The average January temperatures are negative and drop with the increase of the altitude: from -1.5 to -7.0 . the average July temperatures also decrease with the altitude: from +20.5 (Sofia) to +9.0 (Cherni Vrah, Vitosha).

Predominant *winds* in Sofia plain are the westerly and north-westerly, followed by the easterly. The frequency of southerly and south-westerly winds increases in the semi-alpine and alpine zones.

The *rainfall* volumes increase from the low towards the high areas. The annual amount in Sofia plain is approximately 600mm, and in the alpine zone in Vitosha is appr.1,100mm. with increase of altitude, increases also the number of days with *snow blanket* from 42 in Sofia plain to 180 in the alpine zone of Vitosha.

Geological and hydro-geological conditions

The available geological information and zoning of the Metropolitan municipality territory indicate that the most serious danger for the region are the earthquakes with local epicentres, some of them serious. In this respect the activities of some destructive physical and geological processes should be taken into account. The gravitation processes predominate along the periphery of the valley and the river-valley slopes; and those connected to the fluctuation of shallow waters and poor soils predominate in the central valley areas.

An *engineer-geological zoning* was made on Sofia territory, based on geological information and long geological researches of the territory of Sofia plain and Sofia city. Its purpose is to serve the construction branch, which is directly related to the social and economic development of the territory.

Waters

Surface waters are not abundant. Unlike most European capitals, Sofia does not have a navigable river.

Main elements of the hydrographical system are the *rivers and reservoir*. The main river in the river system of the municipality draining its territory is the Iskar River. Most of the Iskar feeders in the Metropolitan municipality are short (with length around or under 30 km).

The reservoirs on the territory of the region are artificially built (dams) for regulating river waters, with reference to their complex use, and others have appeared in places with open production of rock materials.

The dams on the territory of Metropolitan municipality are Iskar, with water surface of appr.30 sq.km and maximum capacity of 637mln cubic metres; Pancharevo with 0.9sq.km surface and 6.7mln cubic metres; Passarel with surface of 0.330sq.km and around ten micro-dams (including the levelling ones) with a total surface of 1sq.km.

The ditch lakes are in numerous groups located around the villages of Negovan, Chepintzi, Chelopechene, Dolni Bogrov etc, or smaller groups and odd ones around the villages of Kapina, Svetovrachene, Novi Iskar. Their total area is 3.340sq.km

In the water sources structures, besides the surface waters, particularly significant are the *underground waters*. In the eastern parts of Sofia plain (close to rivers Lesovska and Iskar) the underground waters run at a shallow depth: average of 0.5-1.0 to 1.5-2.0 m., and in the region Kazichene – Lozen – Ravno pole they are two to threemetres deep.

Mineral waters, mainly in Sofia city and some parts of Sofia plain, are plentiful, with around 50 mineral sources, of which 12-15 are not used at present. Of all mineral water sources, ten are classified with national significance, and eight are suitable for bottling.

According to their characteristics, the mineral waters are 8-10 types, with different chemical, physical, and practical characteristics. Their total debit is around 400-500 litre/sec, and their geothermal energy is estimated to approximately 40-50 MW. The mineral water characteristics in Metropolitan municipality indicate a big variety in localisation, debit, chemical, mineral composition, temperature conditions of thermo-mineral waters.

By nature a significant part of these sources are from the so called ‘filtrating’ type (i.e. restorative waters) which makes them very perspective in a long term.

There is no policy to develop leisure activities linked to the existing *surface waters* and their leisure potential is severely under-used. The Iskar Dam and the Pancharevo lake are

used for some amateur fishing and limited water sports. The small lakes encircling the city are entirely undeveloped, which includes absence of roads and amenities, but are used by amateur fishermen in an unregulated and, in some cases (Dolni Bogrov) – polluting manner.

According to the Strategy for the Mineral Waters in Sofia and the region, the strategic goal and perspective in versatile and sufficient use of the *mineral waters*' potential in the municipality lands, in the next 20 years and later, should be the development of viable and significant in social, and economic respect hydro-thermal centres, public establishments, enterprises and activities of the following possible categories (groups):

- Balneology and rehabilitation centres for the treatment of socially significant diseases and available resources for physiotherapy and recreation for people who are fit and well. This refers to the traditional balneology centres *Bankya, Ovcha Kupel, and Gorna Banya*, which have a strategic economic interest to offer also attractive for the healthy people convalescent, recreational, aesthetic, and other mineral water services:

- Country hydro-therapeutic and recreational centres (or spa) in optimal areas around Vitosha, Plana and Lozen mountains. They are defined as multifunctional yearly centres (spa) for treatment, recovering, recreational, tourist and other mineral water services; where the mineral waters come from active or potential country sources like the potential water bodies in *Boyana – Dragalevtzi, Simeonovo- Ring road*, not yet reclaimed sources in *Pancharevo and Zheleznitza* and others.

- City hydro-thermal centres and spa. They are defined as multifunctional, multi-seasonal (annual) centres and spa for recovering, recreational, aesthetic, and other mineral water services; where the mineral waters come from active (found with sounding) or potential city sources like *Sofia Mineral Baths, Yujen Park or Boris' Gardens* (which waters come from the open source in Lozenets – Perlovska River) *Knyazhevo* (not reclaimed existing sources) and others.

- Year-round city mineral bathing-beaches. They are defined as workable throughout all seasons; which consist of joined in between covered or open-air bathing facilities, supplied by mineral waters from potential sources or thermal water supply zones in the cities as *Ovcha Kupel, Obelya – Vranitza, Orlandovtzi – Benkovski* and others.

- Countryside multi-seasonal mineral bathing-beaches or hydro-thermal spa for recovering and recreation. They are defined as beneficial to the society and economically perspective forms which can use the mineral water potential in the northern and north-eastern surroundings of Sofia. There are prerequisites for constructing and developing similar facilities (spa) around the villages of *Kazichene – Ravno pole* (including parts of the mineral waters found there), *Gorni – Dolni Bogrov, Chelopechene – Botunetz*, and others. Out of the Metropolitan municipality borders are *Elin Pelin – Musachevo and Kostinbrod-Dragovishtitza*.

- Roadside tourist establishment with hydro-thermal bathing facilities. They can be promoted together with transit motels and hotels around *Sofia Airport, 'Black Cat' Camping* (Trakia highway entrance), *Grigorievo-Gorni Bogrov*, etc.

Companies in the bottled water industry:

- . *Bottling and distribution of low-mineral waters for unrestricted drinking use of active and potential sources as Gorna Banya* (existing enterprise), *Knyazhevo, Bankya, Ivanyane*, etc.

Simultaneous production of healthy beverages, nectars, and semi-fluid foods, with the use of the above waters.

. *Bottling and distribution of mineralised and mineral waters for curing purposes* (drinking, inhaling and douche) from water bodies close to *Ilyantzi, Chepintzi, Mramor, Borimirtzi, Kurilo (Teyna River)*.

Possible production of mineral salts and other natural products for healing, preventive and other purposes, with water used by the above mentioned water bodies.

- Geothermal heating, conditioning and hot water supply. A big part of the future hydro-thermal spa centres can be supplied with heating, conditioning, and hot water, with the geo-thermal energy obtained by the mineral waters. This means using modern and effective technologies for heating, thermal transformation and energy-extraction. This includes the used draining waters in the bathing facilities, with temperature limits 25-30 .

- Hydro-thermal scientific and cognitive attractions. These are defined as a type of *cognitive tourism*, which has a great potential in Sofia. Its progress can be achieved with natural and design copies exhibition of *prominent mineral waters and water bodies, and impressive hydro-thermal processes*, which had happened or are going on in the womb of Sofia plain and the near massifs.

Nevertheless, the potential of mineral water for multiple purposes in Sofia and Metropolitan municipality is used poorly. Also severely under-utilised is the favourable combination of nature and its conditions (mountain climate, various landscapes, surface waters), which is an available resource to combine different forms of tourism and leisure activities.

2.4. Soil and vegetation

In the plain valley part of the region, Sofia plain, the soil variety is favourable for developing some traditional for the region agricultural produce as grain and fodder crops, vegetable produce, fruit-cultures etc.

Vegetation types, typical for all forested areas in Bulgaria can be found on Metropolitan municipality territory.

The natural landmarks on Metropolitan municipality territory are connected to the formation of zones, with a specific status and protection restrictions. Such are the nature reserve Vitosha, and the reserves 'Bistrizta reserve', 'Peat-bog reserve'. The rest of the protected zones are in the category 'natural landmarks', 44 in total. Two of them are inanimate nature sites: Katina pyramids, which are land pyramids near the village of Katina and the Samokovishteto waterfall, on the village of Bistrizta land.

The contemporary landscape structure on the Metropolitan municipality territory forms on the basis of two groups of factors: natural and human. From the natural factors significant are the rock elements, terrain, climate, waters, soils, vegetation, and the contemporary landscape structure. On the other hand, the anthropogenic factors indicate the direct and indirect influence of the human activities in the different ways of use of nature; which influence not only the typification of landscapes but their ecological state too.

Well defined elevation zones can be seen, in the natural landscapes on the Metropolitan municipality territory, which is due to the terrain variety (from appr.500m altitude at Novi Iskar up to 2,290m altitude at Cherni Vrah) and the subsequent changes of the natural landscape components

3. Historic development path

3.1. Origins and pre-industrial history

The thermal springs in today's centre of the city were what attracted human habitation in the first place, as far back as the 8th century B.C. At that time, a Thracian tribal formation known as the Serdi were settled around the springs and when the area was taken over by Rome, the Romans established a town named after its natives – Serdika.

During the 1st-4th century A.D. Serdika was a flourishing Roman city, the capital of the Inner Thracia region. Following the religious reforms of Constantine the Great, Serdika became the seat of a bishop. By that time the city boasted a major Christian church, St. Sofia, where in 343 A.D. the crucially important Serdika Ecumenical Council was held. It confirmed the rejection of the Aryan heresy at the First Council of Nicaea (325) and reaffirmed, following turbulent debates, the Nicene creed, which to this day forms the basis of affirmation of faith in all versions of Christianity.

The visitor can still visit some of the places where the Council took place, such as the St. Sofia church, next to Parliament, and the St. George's Rotunda, currently in the courtyard of the Sheraton Hotel. Sections of the Serdika fortress wall can be seen in several parts of the city.

During the great migrations of the 5th and 6th centuries, Serdika was frequently sacked by Huns, Goths and other barbarians. From mid-6th century onward, under Justinian the Great the city, re-named into Triaditsa, recovered its status of regional capital of the Eastern Roman Empire.

In 809 the Bulgars, who had swept in from the shores of the Caspian sea to establish a state to the north of the Balkan mountains, added the city to their land, re-naming it into the Slavic 'Sredets'. It was later, as the rest of Bulgaria, re-absorbed into the Byzantine Empire, but recovered its independence and re-joined the resurgent Bulgarian state following a series of uprising in the 10th century.

Between the 14th century and the late 1870s the city, as the rest of the nation, was part of the Ottoman Empire. It was re-named 'Sofia', after its oldest church, sometime in the 15th century. By 1440 Sofia was again a major regional Imperial centre, administratively in charge of 25 provinces. The Ottomans built on the foundations they found in place, re-establishing with lavish scale the Roman baths in the centre and re-structuring a number of churches (not, however, St. Sofia itself) into mosques.

The city went into decline with the rest of the Empire from the latter half of the 18th century, to meet Liberation (1879) as a large village, complete with chickens, pigs and cows, and with a population shrunk to under 20,000.

After Liberation, the Sofia managers made a strenuous effort to turn the city into a European-style capital in the shortest time. Czechs, Poles, Italians, French and other Europeans flooded in to set the city on course. In 1907 the centre was paved over with its legendary yellow bricks – the dowery of Austrian Princess Maria-Louise on her marriage to Prince Ferdinand of Saxe-Coburg-and-Gotha, chosen as Bulgaria's Prince and, from 1908, King.

Sofia did not manage to entirely escape the political turmoil of the 20th century. In 1918, as the army on the Western front was roundly beaten, the conscript soldiers revolted

and marched on the capital, to be defeated with much bloodshed on its outskirts, near the sugar refinery factory established by the Belgian Solvey Group. Seven years later, in 1925, Sofia became the scene of the world's biggest (until the 1995 Oklahoma City bombing) terrorist act, as Communist Party militants blew up the St. Nedelya Church during a crowded funeral service for a general they had killed previously for this purpose. In 1923, 1934 and 1944, Sofia was the scene of army coups, the latest establishing the 45-years-long Communist regime.

Industrialisation

The Soviet-type industrialisation drive, which begins in the late 1940s, requires a huge influx of manpower, which was officially encouraged from the top. At the same time, as through the 1950s collectivisation took over the countryside, the younger generation of peasants, no longer private property holders, migrated to the cities and particularly – to Sofia in search for work and a new life.

The state also takes direct non-economic measures for recruiting workers. During industrialisation, the government employed a 'system for civilian mobilisation' to ensure the supply of hands. In the period 1946 and 1956, the population in Sofia doubles and constitutes a significant part of the population in the country and of urban residents in general. The disproportion is a result of the location, in the city, of the bulk of industry, as well as administration, cultural, and educational institutions. The influx of people into the city places severe strains on its infrastructure and on housing. This leads, by the 1970s, to a number of judicial steps for restricting the access of the population to the big cities and particularly to the capital. The restriction of residence in the capital is in force until 1990.

During the 1990s, Sofia's artificial Soviet-type industry mostly collapses, as it does all over the country. Unlike most others, however, Sofianites use the newly arisen opportunities for private initiative and so the capital avoids the severe economic depression, which drives into poverty the provincial cities and de-populates a good number of them. By the second half of the 1990s, the rest of the country registers the fact that there was no unemployment in Sofia, and another influx of migrants starts, leading to the current situation, where more than 1/5th of the entire Bulgarian population resides in and around the capital.

Industrial structure

Until 1989, the economy in Sofia has different branches, but the ferrous metallurgy prevails. Some 74 per cent of the production power of ferrous metallurgy is concentrated there, 24 per cent of the electro-technical and electrical industry, 14 per cent of machinery construction, 17 per cent of the construction material production, 11 per cent of the textile and knitwear industry, between 4 per cent and 10 per cent belong to the other industrial branches. In Sofia are concentrated the following production: 34 per cent of paper-production, printing and publishing industry, 25 per cent of electro-technical equipment, and calibration equipment, 18 per cent of rubber and plastic produce, 15 per cent of clothing.

The percentage of industrial production for Sofia region is currently around 16.3 per cent of its GDP. Some 44 per cent of the production is from the private sector; the largest shares have the food, beverage and tobacco produce (22 per cent), moulding, hardware and equipment (16 per cent), paper, printing and publishing produce (14 per cent), electro-technical and calibrated equipment (11 per cent) etc. There are 17 industrial areas set up in Sofia prior to 1989, which regardless of the changes in production structures and the

production stagnation, continue to exist today (mainly as edifice and constructed infrastructure).

Starting out from an economy based on heavy industry, currently Sofia is driven by services, which form over 71 per cent of its economy (2002 figures). The capital also attracts the bulk of Bulgaria's direct foreign investment – 56 per cent of all foreign investment into Bulgaria over the period 1992-2002, rising to 64 per cent from 2002. Sofia has acquired the reputation of being able to absorb into its labour market all newcomers, with durably negligible unemployment figures, standing currently at under 7 per cent. Sofia has 4,000 businesses established by foreign migrants. On 1.7 per cent of national territory, Sofia has collected almost one-fifth of the entire working population of the country.

The construction boom, under way since the second half of the 1990s, as well as the currently ongoing boom in the construction of offices sets the scene for attracting additional numbers of domestic and foreign migrants.

3.2. Planning stages 1945-1989

Sofia's modern development (1945-1989) has four clearly visible planning stages:

First planning stage: 1945–1961

The city's crisis at the beginning of the period is caused by damages of a considerable part of the housing (12 000 buildings) as a result of Allied bombings (to 5th September 1944 Bulgaria is a German ally), and the drastic change in the social and political system of the state. This necessitated rapid measures for control of the situation, which happens with the first post-war Sofia development plan, passed with a decree in 1945.

The plan envisages a population of 800,000 residents on area of 15 sq.miles. Its declared intention is to achieve a poly-centric urban structure, with additional regional centres, but this is not clearly set out or systematically pursued. The structure of the main city centre is also not clearly outlined. But as the communist regime settles in, pressure grows for a city centre structure that is to imitate the Soviet-style administrative centres of Russian cities. A new development plan for the centre appears at the end of 1949. It is never fully fulfilled due to shortage of funds, but what is constructed changes dramatically the centre of the capital, structuring it in a 'Stalinist classicism' style.

In the 1950s, housing construction is limited. Several housing estates are built on some empty terrains – Lagera, Krasna Polyana, Zaharna Fabrika, where the buildings have 3-4 stories. At this time begins a fast development of heavy industry and by the mid-1960s housing construction expands, with the first major (currently – mid-sized) residential districts being built, such as Vladimir Zaimov, Lenin, Deveti septemvri, Zapaden park, Hipodruma. By the late 1960s, the first prefabricated concrete housing appears.

Second planning stage: 1961–1972

This stage begins in 1956 with a government call for a new general plan for the development of Sofia. Two teams work on the planning. The work and discussions of the project continue until 1960.

There is a difference in the two projects in respect to the territorial and demographic development. One of them stipulates migration control and decrease of the demographic growth of the capital (limiting it to 800,000 people) and reconstruction of the infrastructure.

The second one provides for continued expansion and the constructing new large housing estates on vacant territories outside the city.

In both projects, the development of the urban structure is still oriented to the poly-centric system, but in general it maintains one main city centre. The housing estates are structured into residential micro-regions, with small service centres. According to the urbanisation theory and practice at the time, these micro-regions are a basic structural unit with population of 15,000-20,000 residents; they have closed circle of services, in which the main criteria is the school catchment area. The micro-region is divided into housing groups with population of 2,000 to 3,000, where the criteria is a kindergarten catchment area.

Later, in the 1970s, this system deals with much larger numbers: a housing district of 40,000 to 50,000 residents, complete with medical facilities, cinema, etc.; a planning region of 100,000 to 200,000 residents, complete with a hospital.

The existing enterprises concentrate and develop in six industrial warehousing zones. Maintained and further developed are the concepts for green zones. In both projects the backbone of the spatial composition is the concept of a 'navigation canal' –diversion of the Iskar river along the 600th horizontal, running through the historic city and the ring road.

'Citizen mobilisation' and several years of digging follow, until it is realised that the river Iskar could not supply enough water for this canal. The project is quietly shelved, but one can still clearly see the outlines of the canal in the Mladost housing estate. Other elements, linked to the canal, are accomplished (the Zoo and the Botanical garden).

During the discussion and comparison of the projects, the first one is determined as preferable, because of the concepts of control of the demographic and territorial growth. An international competition for the main city centre is held, and further three more projects are designed. The emphasis is on the development of the main city centre westwards. These projects are not realized, but some of their westward-migrating elements are later constructed, such as the House of the Trade Union.

Ultimately, the attempts to control the size of the city fail as in only 5-6 years the parameters and the limits of the project are exceeded. The capital actually begins developing according to the second, rejected project, which necessitates the construction of large housing macro-regions on vacant territories.

Third planning stage: 1972–1979

By 1968, the unexpected continued growth of the city leads to the call for another development plan, as the current one is deemed at an end. In 1969 a special team makes a detailed research, creates a new information basis and contemporary methods for project design. On this basis, in 1971-1972, a detailed preliminary project ('conception') is completed, consisting of three parts: urban hypothesis for the Sofia agglomeration; outline project for urban structure; and a communication and transportation project. It has brand new formulations and concepts, most important of which are:

- the urban processes are analyzed and planned in large territory scale and unlimited numerical growth. Besides the Sofia plain, the researched territory includes the entire region Sofia-Pernik, and the urbanised territory of the city is seen to have a potential for a population of 1,454,000 to 1,600,000. The term *agglomeration* is introduced, in order to encourage the process of growth and involvement of adjacent territories and population to reduce the problems with over concentration in the capital;

- the city development orientates to the *linear* model. This model is feasible if the urbanised development axis coincides with the railway area of the line Belgrade- Istanbul, i.e. the new city territories to be oriented north-westwards and south-eastwards;

- the city structure is planned as *polycentric*, with five complete macro-structural units. The main city centre begins at the traditional main part and reaches out via capital sub-centres to the three main boulevards;

- the transport system of the city leaves the radial circular network and turns into tangential. The main transit arteries: Belgrade-Istanbul and Athens – Bucharest are taken out of the residential districts to high-speed roads. A new terrain for airport area with characteristics of modern intercontinental airport is planned;

- the backbone of the public transport is the future metropolitan underground.

- the greenery areas are grouped in systems of green zones, making their way from Vitosha to the city, and the number of water bodies is increased with the planned lakes along Iskar river.

The researches in this project have abundant ideas and radical suggestions, and soon are considered to be too avant-garde and theoretical. In 1972 the state assesses them as ‘unrealistic’, because of the stated demographic and territorial over-growth, and sends them back for revising.

Fourth planning stage: 1979–1989

This stage begins in 1975, when the package of the three projects: regional territory organisation; general urban planning, communication and transportation, is revised by the team of ‘General Planning’ Directorate. After agreeing a new revision, and addition in 1979, the three projects, set out as General Development Plan of Sofia, enter into public and professional discussion.

This project tries to find a compromise realistic solution, to maintain the contemporary planning concepts and theoretical achievements during the 1972 stage, and take into account existing opportunities, needs and restrictions. As a result of this, the main concepts acquire the following aspects:

- urbanisation processes are analyzed, and planned in details, in the boundaries of Sofia plain, maintaining the idea for decentralisation of activities, which are already part of the national urban development strategy;

- the development of the urbanisation area is determined to be over 70sq.miles and a population of 1,200,000 to 1,250,000 people by the year 2000;

- the priority for urbanisation territory development is *reconstruction* there is a prognosis for new territories for dynamic housing construction in south-eastwards and south-westwards, encircling Vitosha mountain without leaving the boundaries of the existing ring road

- the city structure is polycentric and has five planning units (the historic city, south-east city, southwest city, northwest one and northeast one);

- the functional zoning maintains the concept of three parallel zones (labour, habitation, recreation) but in general it is mixed and strives each of the five large structural units to have areas to provide all these functions. Particularly detailed is the planning of situating the labour activities of the industries, connected with production, science, and the supporting warehouses, which are grouped in 11 scientific and production zones, specialising in different fields

- the transport city network is a combined radial-circular network, with tangential roads. A particular attention has to be paid to the second city ring (through the boulevard connection ‘P.Slaveikov’) and the fourth city ring (through the boulevard connection ‘T. Kableskov’), and the consecutive construction of eastern, western and northern tangents;

- the metropolitan underground receives a more efficient route. The original three diameters are maintained, but their routes are now to be connected and to take passengers to the railway stations.

In 1979 the project is approved by the metropolitan authorities and the government, and a draft Act is prepared for its ratification. Before proposing it in the Parliament, the approval of a draft act by the Political Bureau of the governing Communist party is needed; but this does not happen. Instead, in 1980 the Government decides to begin large-scale housing construction on vacant terrains: ‘Drujba’ 2, ‘Ovcha Kupel’ 2, ‘Levski’ G, ‘Obelya’ 2, ‘Mladost’ 1A, ‘Malinova dolina’ and ‘Gorublyane’ 2.

In 1985 the team of ‘General Project’ Directorate makes another draft of the project without changing the main concept and space composition, but further steps for its ratification are not taken. In 1988-1989, an actualisation of the General communication and transportation project is also made, but this project is not approved and thus not put into effect, because of the reconstruction of the social, political, economical constitution in the country at the end of 1989.

The general evaluation of the history of Sofia development plans prior to 1989 is the following. All of the various Sofia Plans, structured as models for the structuring and development of the city, are not fully implemented – do not attain their goals – not because of major defects in their capacity to forecast developments, nor because of exhausting their aims – but because of the appearance of sudden, unsurmountable crises, which obviate their forecasts and thereby make impossible their full implementation.

The main conclusion is that the series of consecutive plans for modelling the development of the city were not the result of internal coherence or strategic development logic, but have been responses to the outcomes of the series of urbanisation crises, each crisis obviating the plan in place at that time.

Sofia’s development after 1989

After 1989, with the advent of fundamental changes in the social, political, and economical structure of the country, a new crisis situation of the city structure emerges. Neither the existing General urban project, nor the improved Building and Regulation Projects are able manage the city structure in the new situation. In 1990, there is an attempt to limit the crisis, when Sofia municipality decides to announce a competition for the planning of a new General urbanisation project. Five of the 25 projects, introducing different approaches to the problem are short-listed.

The implementation of the next stages of the General urbanisation project competition is abandoned because of the inability for urban planning prognosis to grasp and describe the new development trends. The adaptation to the new situation continues for a long time with a series of modifications of the existing General Urbanisation Project, Development and Regulation Act. A wave of ill-regulated private construction is under way by the mid-1990s, much of it in contravention to existing rules and regulations because of the corrupt environment of the times. The city begins to grow and again its infrastructure and amenities are put under intolerable pressure.

The rationalisation of the situation determines the urgent need of preparation of a General Urbanisation Plan, the debate on which begins in April 1998, including in Parliament (given the city's role of national capital). On 31 March 2001 Parliament voted a Law on the Approval and Implementation of the Plan, together with instructions on its implementation.

Urbanisation planning

The General Urbanisation Plan of Sofia, originally in place since 1961 and significantly amended in 2001, is the legally binding basis for the realisation of the architectural, industrial, transport, land reclamation, planting, city development and other development projects, and all technical projects in the city boundaries. The Plan divides the territory of Sofia municipality as follows:

1. City region – the part of the territory, included in the development boundaries of Sofia;

2. City surrounding region - the part of the territory between the part within the development boundaries of Sofia and administrative territory boundaries of Metropolitan municipality.

The villages in the city region Obelya, Vrabnitza, Ilyantzi, Orlandovtzi, Malashevtzi, Vrazhdebna, Slatina, Gara Iskar (cargo railway station Iskar) and Darvenitza become residential districts in Sofia. The villages of Gorna Banya, Boyana, Dragalevtzi, and Simeonovo become Sofia's residential and resort districts and together with the residential and resort district Knyazhevo are determined for low-rise constructions.

3. The parks 'Vitosha' and 'Lyulin' as well as the zone of the Metal Works Kremikovtzi are included as part of Metropolitan municipality.

The city and surrounding territories are organised and constructed according to provisions and development regulations and standards, the functional use and the existing building on the terrains, the seismic, ecological and health conditions, the opportunities for infrastructural provision and transport services.

The following are defined by the Plan:

1. regulation zones and norms, rules for construction;
2. norms relating to the optimal volume of activities, compatible with the environment;
3. rules and procedures for determination of the boundaries of city surrounding regions;

4. rules and procedures for changing the purposes of the terrains in the city and surrounding region;

5. rules and procedures for execution of urbanisation projects until the approval of a new general urbanisation plan;

6. rules and procedures for modification of the summer-house zones, or their parts, into residential zones;

7. rules and procedures for introducing specific quota for construction zones and residential districts;

8. rules and procedures for introducing specific quota and requirements for green areas for public use.

Urbanisation and residential structure

The city network of Metropolitan municipality is made of 34 populated areas, four cities (Sofia, Bankya, Novi Iskar and Buhovo) and four districts outside of the development

boundaries (Chelopechen, Botunetz, Kremikovtzi and Seslavytzi). Sofia city had three more districts (Suhodol, Philipovtzi and Trebich), which are inside the development boundaries of the city, but are detached territories. The population density is 2.8 persons/100sq.km.

The urbanisation trends on the territory of Metropolitan municipality is described best as a consecutive incorporation of near-by villages and their transformation into residential districts, gradual expansion of urbanised territories in between them and connection into transport and engineer networks.

These processes begin in the 1950s and intensify during the period 1980 – 1990, and again after 1995, with migration to, and residential construction in summer-house zones.

Particularly dynamic are the processes, during the 1980s, in the Stara planina (Balkan mountain range to the north) belt and around the villages of German, Lozen, Pancharevo, and Kokalyane. After 1995 expansion moves to the southern areas, around the areas of the foot of Vitosha mountain, Bistriza, German, Pancharevo, Lozen, Bankya, Ivanyane and Malo Buchino.

Two successive zones with high population density per sq.km are clearly defined around Sofia proper. These are the districts of: Svetovrachane (479 residents/sq.km), Kazichene (313 residents/sq.km), Bankya (292 residents/sq.km), Novi Iskar (282 residents/sq.km), Busmantzi (233 residents/sq.km), Pancharevo (210 residents/sq.km) have a high population density, typical for the urban areas in the Republic of Bulgaria, which indicates the high rate of urbanisation processes.

A relatively high population density is also seen in the following districts: Vladaya (165 residents/sq.km), Negovan (162 residents/sq.km), Krivina (140 residents/sq.km), Chepintzi (133 residents/sq.km), Mramor (131 residents/sq.km), Marchaevo (116 residents/sq.km), Kokalyane (110 residents/sq.km), and Zhiten (106 residents/sq.km). These districts outline the second relatively active urbanisation ring.

The lowest population rate have the following villages: Klisura (five residents/sq.km) and Plana (7 residents/sq.km).

All towns in the surrounding region have sufficient housing stock of brick structures and a good network of social and transport services.

The prospects for urban development are based on the expected influence of external factors and an understanding of the current geo-political conditions and the developing relations between Bulgaria, the Balkans, Europe and the rest of the world.

Sofia's Architecture

The political situation after the Second World War changes architectural concepts and practice. The resolutions of the Bulgarian Communist Party's 5th congress (1948) give specific instructions in the field of architecture: 'to begin a systematic struggle against modernism and formalism of the arts in Bulgaria; as well as against the adulation of contemporary West European bourgeois art; to support the realism tendencies in creating works with high artistic value ...'.

Before such official formulations, in the first days of the communist takeover (9 September 1944), architectural circles expect to adjust to inevitable future changes. On 18 November, a general competition between Bulgarian architects and engineers is announced, to design a new Urbanisation Plan for Sofia. Participant in the jury is the prominent Russian architects Al. Shtusev (author of Lenin's mausoleum and other significant buildings) and N. Baranov – chief architect of Leningrad.

There is no first prize. The second one goes to the team of 'Architecture and Urbanisation' Directorate at Sofia city people's council, with chief architect L.Tonev. Despite the fact that the awarded project pays special attention to the capital's city centre and the concept 'that Sofia has to be not only restored after the bombings, but also transformed.', it doesn't provide the required solutions to the structuring of the city centre's and its new architecture, because Bulgarian architects are at the time still influenced by Western Europe. The only element taken on by city planners is the re-thinking of the centre of the city as structured around '9th of September square' (today, 'Knyaz Alexander I Batenberg' square). This re-formulates the urban manifestation of the power structure, by shifting the emphasis away from Parliament square and the cathedral Alexander Nevski, both representative democracy and religion being henceforth seen as side-issues. The emphasis is placed much nearer the real seat of power, the 'Largo', and encompasses the palace of the infant King Simeon II, to be deposed and exiled in 1947.

In 1947, a new competition for the city centre urbanisation is held. Prominent specialists from Prague and Zagreb are in the jury. There are four 3rd awards. The absence of first and second prize demonstrates official dissatisfaction with the result of the competition. Bulgaria is by then a 'people's republic' and Communist leader Georgi Dimitrov is Prime-Minister. Architect P. Katrandzhiev is appointed to design a new detailed plan of Sofia's city centre. Most of the participants from the awarded projects participate in his the team. On 25 December 1947, the project is personally approved by Dimitrov.

The main feature is the role of the two 'rays': the boulevards 'Dondukov' and 'Ruski' (now 'Tzar Osvoboditel'), where they connect to the Central Committee of Bulgarian Communist Party. The initial concept of the 'Largo' is further developed, describing it as a place with a considerable size, but not yet shaped architecturally. An extension of 'Ruski', along its north side is planned, with considerable partial demolition of the edifices of historic, turn-of-the-century buildings such as the Bulgarian Academy of Sciences, the Military Club, the Austrian and Italian Embassies. They still survive.

The only idea ultimately taken from this plan is the place and the design of the Central Committee of the Bulgarian Communist Party. In 1948 a competition for this building is announced, which is won by a collective body under architect P. Zlatev. In 1949, the mausoleum of G. Dimitrov is built on the south side of '9 September' square.

While the concepts of a new city centre are clarified, several big edifices in Sofia are finished, the design or construction of which had started before the war. The first one is the National library 'St. Cyril and Methodius'. This is one of the significant examples of the 'neo-classical' architecture, with a distinguished harmony of the proportions, in contrast to similar buildings in Italy and Germany. The construction of the Telephone Palace is also finished (1948), and it is much more similar to the German influences of the time. Some of the significant residential buildings are those on 'San Stefano', on the corner of 'Graf Ignatiev', and on 'Bulgaria' boulevard.

The architecture of the mausoleum of G. Dimitrov is a smaller scale replica of the Lenin one in Moscow (1930). Like its prototype, it is an echo of the architecture of the late 1920s. Fading European influences are also seen in the building of 'Madara' public baths, started before the war and finished in 1946.

In December 1950 a conference of the Institute for urban development and architecture at the Bulgarian Academy of Sciences was held, when the doctrine of 'socialist realism' was unveiled as the new orthodoxy in Bulgaria. The first act of socialist realism was

the competition for a house of the Central Committee of Bulgarian Communist Party on the already allotted place. P. Zlatev's project was being changed many times in consultations with Soviet architects. The building was the first example for 'socialist realism' in this country.

To correspond to these new ideas, in 1951 a new plan for the centre of Sofia was designed, including the 'Largo' (which became Lenin Square) and 9 September Square. The building Communist Party had a key position, with its two main facades facing the two squares. Due to shortage of funds the Largo plan is never fully implemented, but what is constructed to this day sets the tone of the administrative centre: the Ministry of Heavy Industry (today Council of Ministers) and of the Electrification Ministry (today – the office of President); the seat of the Communist Party (today offices of Parliament); Central Department Store (TSUM); the Balkan (currently Sheraton) Hotel. The multi-storey House of Soviets, supposed to complete the composition on the western side of Lenin square never becomes reality.

The 'Largo' is a result of collective creative work under the strong and determining Soviet influence. The scheme is simple to the highest degree – strongly outlined longitudinal axis in direction east-west, strengthened by almost mirror-like symmetry of the facades of the two Ministries. It is the typical for the ensembles of the totalitarian societies 'plan-ornament'. As a plan, the project is huge 'ornament' itself, with an individual meaning of 'decorative objects'. The architecture of the separate building can be different and changeable, if it suits the place and its role in 'the symbolic order' of the political system, with the Communist Party's house dominating the centre. This house, with the cup above the western façade, is entirely Soviet in spirit, as is its 'twin' –the building of the Department of Physics and Mathematics, several kilometres out in the Lozenets residential district, which however remains in architectural isolation. Built along the same lines are the state printing and publishing house on Tzarigradsko Shose Boulevard and the smaller size building of the House of Bulgarian-Soviet friendship on Evlogi Georgiev Boulevard, using adapted Soviet designs.

While most of the architectural attention is lavished on the seat of power, sports is not forgotten from the outset. Lots of architects and engineers took part in the project of the V .Levski National Stadium in 1953. The Sports palace with a covered swimming pool on Levski Boulevard is designed and finished later. They too are typical of Soviet-derived 'socialist realism'. More suited to Soviet globalism and the harsh Russian winter, this architecture fails to catch on nationwide, remaining mostly located in Sofia and being discontinued after 1955. The utopian nature of the style is reflected in the utopian nature of the entire undertaking of the 'Largo' project, which remains largely unfinished.

Socialist utopianism also marks the first attempts at residential architecture. The residential blocks of flats in Sofia, built at this time, remain scattered along some of the main streets, boulevards and crossroads (Al. Stamboliiski Boulevard, Knjaz Al. Dondukov Boulevard, G.S. Rakovski Street, Al. Batemberg Street, H. Botev Street and others), although the original intention is quite different. The only 'traces' of attempts for residential building on a larger scale are seen in the north side of Knjaz A. Dondukov Boulevard, because between it, V.Levski Boulevard, Slivnitsa Boulevard and the central city part, the first 'micro district' (A) was planned to be situated. It is one of the three, which were planned to be near the centre.

According to the concepts of that time, the borders of the micro districts were to be outlined by monumental residential buildings, with the districts' central parts devoted to schools and recreation centres. The blocks of flats would form a wall, passed through via

entry passages. The aim of this is to create distinct communities of happy residents, living in a communal way.

The extreme dispersion of the 1950s buildings, marking only the outlines of long-forgotten 'micro districts', points to the unrealistic and utopian strivings for 'reflection' of a future 'cheerful' reality. It is expressed also through the abundance of sunflowers, birds, fish, embroidery elements, and other façade decorations.

The period from 1948 to 1955 is characterised by a lack of free choice and the adaptation of an imported model. It produced a limited number of buildings, which remain alien to the architects' sensations, attitudes and values, as well as to the citizens. However, several kindergartens and small 1950s buildings in general are entirely in the national spirit. Toady they are accepted as original achievements.

The radical change in the orientation and architect's creative behaviour after 1956 is again a result of a political change and its reflections on the cultural and professional context. The first signal after Stalin's death (1953) came from Moscow (All-union conference of builders, 1954 and Second Congress of Soviet architects, 1955), which set a departure from orthodoxy. The new directions were in the spirit of rationality, expedience and above all, economy. This is the discourse of modernism, but not a coherent formulation of a new modern architecture. In 1955, discussions of projects of residential buildings centred on decreasing the number of columns, balustrades and simplifying the details, i.e. on economy. But official buildings were not affected at all and orthodoxy in this remained.

The crucial internal political event was the Communist Party's April session in 1956, which signalled a limited opening of creative energies. After the plenary session, Bulgarian architecture and that of Sofia re-entered the larger process of international architecture, dominated by the ideas of modernism. Unlike the other arts, modernism in architecture was tolerated and accepted by the authorities. The reason was in the desire of the official authorities to identify itself as a bearer of technical progress and of 'the new'. The definition *modernism* was never and nowhere mentioned officially, because of ideological reasons (it sounded too Western). 'Innovation' became the key word. This paradoxical situation had a positive and stimulating effect. In architecture, it led to the existence of real free choice – everyone found his own way to the modern. The practice from the end of 1950s and through the 1960s blended the aesthetics of 'orthodox' modernism, the aspiration for 'organic architecture', beginnings of local interpretations of 'brutalism', plastic arts and picturesque Brazilian architecture

In 1950-1955 'socialist realism' was incomplete, undeveloped and not quite 'real'. After 1956 it didn't exist as a reality, just appeared isolated and episodically in reports and generalising articles about 'the architecture of socialist Bulgaria' to commemorate anniversaries from 9th September 1944.

The initial impetus in the development of Bulgarian architecture after 1956 came from Sofia. In 1957, the so called House of Sofia city people's council, with a Museum of Sofia was built, signalling a breach with 'socialist realism' and a recovery of re-formulated earlier urban styles. In 1960, the first television tower in Sofia was completed on Dragan Tsankov Boulevard, an example of modernist classicism. The most innovative and interesting example of the architecture of the time is the building of BTA (Bulgarian Telegraph Agency), completed in 1960, a modernist interpretation of Bulgarian pre-war experience.

The undisputed pinnacle in the modern architecture of Sofia is 'Universiada' Hall (1961). Universiada Hall remains the emblematic building of Bulgarian modernism. The

authorities at that time realised clearly that this was not just a sports hall, that modern architecture had its own potential at the symbolic level, regardless of its apparent abstraction. The congresses of the Bulgarian Communist Party left the socialist-realist surroundings of Party House and moved to Universiada. This strengthened officially the position of the modern tendency in Bulgarian architecture.

The building of sports facilities, which turned out to be very appropriate for bringing in the ideas of modernism, is distinguished with a very interesting object, too – the covered tennis court 'Sofia' (1964). In the apparently simple scheme of the building, 'the visible concrete' appears, a resonance of the European and Japanese 'brutalism', in the typical combination 'concrete-glass-wood', but without their inherent aggressiveness. The building is almost hidden in the park environment, according to the precepts of organic architecture'.

In the beginning of the 1960s, the transition was already completed and without any hesitation, the practicing of the modern architecture started, with its advantages and already visible disadvantages. In a few years, in the first place in Sofia, 10-15 modernistic administrative buildings appeared. Nowadays, almost all of them are accepted as ordinary and even banal. Except as evidence of creating modern architecture of that time, they determine a whole layer of the architecture of Sofia. These administrative-business buildings had to satisfy the needs of local administrations, economic organisations, external trade monopolies: 'Machinoexport', 'Rodopa', 'Bulgarplodexport'.

The modernistic wave, started in the 1960s and expanded in the 1970s, affected all types of buildings and created new models. Hotel construction is most energetic, in order to give a European look to the capital, to modernise parts of the city and become the nucleus for new public spaces. These are the Rila and Serdika hotels in Levski square; Pliska hotel and Sofia grand-hotel in Narodno sabranie square. While Serdika and Sofia blend into the environment and the existing character of two of the most characteristic squares in Sofia, with the Rila and particularly the Pliska, their authors took advantage of the greater architectural freedom developed by the modern passenger hotel. Sofia has also the priority in designing and building of complexes for the new universities.

The Students' town in Darvenitsa district was created. The building of students' hostels began, as did the reconstructing of the Institutes of Machine Electrical engineering, Chemical Technology and Forestry Technology. The complex of the Higher Institute of Economics was completely new. The ultra-modernistic complex of the University of Architecture, Building and Geodesy was being built in the central part of the city, on Hr. Smirnenski Boulevard. At that time the first big contemporary hospital in the country was finished – Regional Hospital in Mladost residential district. The High School in Lozenets district (1964) stands out among some other buildings of new schools with its striving for connection with the area, in the spirit of 'organic architecture'.

Residential architecture started taking off in the late 1950s. building and architecture in Sofia have had a leading part from the end of the 1950s. Zaimov, Lenin (today – Yavorov), Iztok, Hipodruma residential complexes stand out with their imaginative combination of greenery, buildings of middle height and accents of high single volumes. Most of the flats are of two or three rooms. They have modern disposition, a living room instead of a hall-way, distinction of the groups 'day' and 'night' and preferences to more and bigger loggias. The slope roofs are usually kept in the buildings of middle height. The building is traditional, with brick laid walls on staging construction. At the time, the thinking is still in terms of small residential communities, and this facilitates the construction of public institutions in the

residential areas: a puppet theatre in Zaimov district, a cinema in Iztok, Slavia Hotel in Hipodruma district, the legendary 'Feya' bar and Ropotamo restaurant in Yavorov district. The latter two buildings are the best achievements from the point of view of the modern residential environment; both are sadly derelict at the time of writing due to property rights disputes.

At the end of the 1960s, Sofia was still well endowed with trees and shrubbery, not yet overloaded by the increasing urbanisation. In many of the first complexes, the network of alleys and little streets did not have parking lots for private cars. The architecture was in the spirit of the 'light', 'soft', and 'fresh' modernism without conflicts.

The new, second stage of the post-war modernism in this country stands out with considerably more complex compositions and plastic searching and concepts. The Japanese response is prevailing over the Brazilian one, as well as the structural views over the brutal ones.

The architecture of the 1970s is inclined to drama and contradiction, corresponding to the development of the world's architectural and cultural process. This connection is relatively independent from the influences of the home political life, for a number of reasons. On the one hand, architecture in this country had gained certain positions and recognition on the part of the authorities. The authorities themselves felt stable and self-confident. They began to look for their own glorification on many levels, including in architecture, regardless of particular economic problems, connected with the two world energy crises during the decade.

At the end of the 1960s, competitions started for designing new Party Houses, law courts, municipalities and other administrative buildings throughout the country and in Sofia. In the beginning of the 1970s, there were competitions for National Historical Museum, Council of State, Ministry of Foreign Affairs, Foreign trade bank, i.e. for the administration. The designing and building of the big government residence in Boyana also started, and remains the first building complex firmly rooted in national tradition, with modernistic elements providing functionality.

The economic and political stability in the 1970s succeeded in bringing the official architecture to a particular, calmed-down, type. The approaches of 'brutalism' were abandoned. The dynamic composition of the volumes and facades were 'soothed' through covering them with light stone coating of limestone from the region of Vratsa. It is a paradox that the urge came from the USA, from Boston City Hall (1968), with the new Ministry of Foreign Affairs (1970) being its chief imitation, with bay top floors added to signal a continuity with the national style, and the building being organised around an internal courtyard in the 'monastic style' with the same intention.

The reception building of the government residence in Boyana residential district (House No 1) was designed almost at the same time and finished in 1974. It further confirmed the concept of bay-window adding on the top floor as a 'national pattern'. The building was designed symmetrically, with a central ceremonial space, expressing the architect's and public views of that time for 'official' architecture. Independently from the deliberately sought suggestion for calmness, stability and harmony with the relatively low volume, here also is a certain striving for a sense of eased tension. It is achieved through an unusually big console adding on the bay floor. This impact is balanced skilfully by the picturesque and calmness of the surrounding park environment.

Inside, however, it is easy to get depressed by the juxtaposition of vast, grand marble staircases and very low, oppressive ceilings – a strictly communist fascination that has not been adequately explained.

The Ministry of Foreign Affairs and House No 1 became the model for future administration buildings for almost fifteen years. Their architecture is a little ‘monastery’, a little ‘heroic’, ‘national’ as much as international. When at the end of the period the National Palace of Culture was completed, the idea for announcing the existence of ‘architecture of socialistic classicism’ in Bulgaria, sprang up. This did not take off. It was too obviously a propaganda construct, coming down from the top reaches of the regime. At the same time, the building of the National Palace of Culture was heavily criticised in architectural circles and disliked by the public.

There were proofs for a Bulgarian architect’s searching in different directions of that time. Next to the building of Sofia Radio in Dr.Tsankov Boulevard, the new one of the Bulgarian National Radio was built (project 1971). This is the first attempt for applying the metal constructions in a big public building with bay adding on every floor, creating the impression of an inverted pyramid.

By the end of the 1970s, as new government funding came flooding in, in preparation for the grand commemoration of the 1,300th anniversary of the setting up of the Bulgarian state, building continued apace. The building of Bulbank (1972) was completed. With the building of the Higher Military Medical Institute the spacious district of medical institutions was formed, including also the Medical Academy. A few years before, Stomatological Clinic and the Clinic of Obstetrics and Gynaecology were built. The building of covered facilities for sports spread gradually, connected with the organising of competitions for European championships, cups and tournaments. A great part of them was concentrated in the Students’ town: Hr. Botev Sports Hall, covered swimming pool and training hall, complex of halls of the National Sports Academy, the Winter Palace of Sport. The swimming complex of CSKA in Geo Milev district was finished.

The building of hotels was directed to free areas outside the centre of the city. This was marked at the beginning and at the end of the period, relatively from Moskva Park-Hotel and Rodina Hotel. For the building of Vitosha- New Otany Hotel (now Zografski-Kempinski), the world-famous architect K. Kurokava was invited. Another example for searching for a prestigious architecture is the government residence in the town of Bankia.

After the dramatic and contradictory searching in the beginning of the 1970s, at the end of the decade and the beginning of the next one, the already established ideas of modern architecture started to be exhausted and became commonplace. The architecture of the public buildings in Sofia was stagnant. Hotels, hospitals, sports halls, a number of administrative buildings were designed on a good professional level, but did not have an innovatory intensity. A last, late attempt for a major departure was the reconstruction of Vitosha Boulevard, as a modern shopping area complete with shops and restaurants, in time to greet the 13th congress of BCP. The boulevard was to take its real shape only in the 1990s, unable to be a true shopping street while the communist economy slowly collapsed and consumer goods were in increasingly short supply from the end of the 1970s.

The architectural landmark of the 1980s, the National Palace of Culture, was built as a multifunctional complex, a contemporary palace – a synthesis of modern architecture with the plastic arts. There is more iron in it than in the Eiffel Tower, under its roof the cultural life of

the capital city, as well as the prestigious congress-conference activity, business and political events are concentrated. In this respect it is unique.

There was tension and problems on another level, connected to residential building and large scale architecture of schools, kindergartens, supermarkets. In the end of 1960s the designing of residential complexes of Mladost and Lyulin started. They are 'towns' for more than 100,000 residents. Aiming for speed and economy, builders used the pre-fabricated concrete slabs, which were to become the regime's most hated feature by the end of the 1980s. Whereas on 1969 the new-built residential housing in the traditional methods (brick) in Bulgaria were about 60 per cent, by 1975 they were only 15 per cent. Compulsory standards of residential space were brought in, one of which was the 64 sq.m per flat. Later it was increased to 80sq.m for Sofia. As for the number of the rooms in a house, according to UN bulletin, Bulgaria is on the last place in Europe with 2.2 rooms in 1980 and 2.5 in 1986.

More pretentious ambitions are seen in the residential district 'Zone B-5'. Briefly a desirable residence for mid-level nomenklatura, this was a return to the 'micro-district' idea of a community fully enclosed by residential buildings, accessible via passageways. These efforts are discredited by the multi-storey housing used at the borders of the 'zone' (of around 20 floors).

The influence of the post-modernism and the attempts to approach the 'high-tech' aesthetics start in the middle of the 1980s. The building of the edifice of 'Interpred - World Trade Centre' begins on 'Dragan Tzankov' boulevard. This is the only building, carried out by a Spanish construction company, which can claim to approach the western high-tech architecture.

The end of the 1980s indicates a conscious rejection of the modern ideas' domination and the presentiment of future changes. The avant-garde designs of young architects (which remained on paper), the stagnation of the older generation, discussions and disputes mark several years of doubts and uncertainty about the future.

3.3. Sofia after 1990

After 1989 the society and the Bulgarian architecture are found in a typical post-situation: post-totalitarian, post-communistic and at the same time post-modernist. The new lifestyle, arising first in the big cities, changed radically the character of the public spaces like streets and squares. From place for regulated and controlled public life, administrative control and shoddy shops with half-empty shelves, they turned into centres for spontaneous demonstrations about political conflicts, football passions, sexual freedom, ethnic and religious tolerance. The explosive birth of private business, from luxurious boutiques to outdoor cafes, turned the ground floors and facades of the buildings on the main shopping streets into modest copies of the European and American city environments. The city environment started to imitate forms of life hither to seen only in 'Western' movies.

As mass culture exploded all around them, intellectual and cultural circles went into something of a shock, being long used to a gradual and carefully dosed penetration of 'western influence'. They also found bewildering the sudden flowering of choice – the appearance of literally thousands of choices where there were few – in spheres like book publishing and visual imagery. As they grappled with the new challenges, the Bulgarian Architecture Association geared up to the appearance of new architecture. It had over two decades of increasingly 'national' modernism, and had begun to dabble in post-modernist

facades of public buildings. But there was no clear idea about the coming 'market of concepts' in the architecture.

As the private construction boom went under way, architects found themselves in an arena where different tastes and demands clashed with unknown intensity. They also had to address the demand for 'prestigious' architecture, as newly wealthy citizens demanded a new lifestyle. What they went for was an imitation of what they understood as 'capitalistic', as seen on TV. Apartment size doubled and tripled to 150-200 sq.m. Two-storey apartments, 2-3 level studios on top floors, previously unheard-of underground parking lots appeared in response to the new social strata.

From a psychological point of view, the new owners of shops, small and big hotels, petrol stations, casinos and clubs, i.e. the new 'capitalists', had 'European' life style requirements, but didn't have the appropriate confidence. Their confusing tastes and understandings for 'prestige' were implemented by the building contractors and the usually very young freelance architects, to imitate in a banal way the apartments of the rich at the end of the 19th century. The contemporary 'popular newly rich' and his architect indulged in imitation of the most vulgar post-modernism in its worst variation, complete with turrets, gables and other striking elements of the façade.

Society in general became the slave of post-modernist manipulation. The architecture professionals took a critical position towards the abundance of angular towers, bays, absurd and non functional „pseudo-secession' balconies and 'classical' balustrades, and the '3 minute culture' of the TV spots. In spite of this, under the energetic impulse of freedom, the exciting perfume of the private interest of the building contractors and terrain owners, the thirst of the newly rich for impressive appearance was united with the hunger of the architects for 'real' designs. For several years, mainly in the south part of the capital, a nearly whole new city was built. A continuous band was formed, passing through the residential districts of 'Musagenitza', 'Dianabad', 'Lozenetz', 'Strelbishte', 'Krasno selo', 'G.Delchev', 'Bakston', situated among the most expensive terrains in the city centre and the periphery. This was responding to the demands of a big group of residents, with clear requirements for the life standard, the new life style and originality, who didn't want to go too far off the commonly accepted pictures of prestige.

The architect circles in Sofia, concentrated mainly in the two pre-existing metropolitan designer organisations (Glavproekt and Sofproekt) stayed quite loyal to the modernism until the end of the 1980s and stayed away from the construction boom, being wary of radical changes.

The first large-scale changes in the city architecture environment after 1989 affected the open public spaces. This eliminated entirely the 'pre-congress' design of Vitosha boulevard in the direction National Palace of Culture. In second place comes the invasion of the housing spaces and the entire change in the idea about the housing constructions' architecture. In contrast to the intensity of those two processes, the building of public buildings was nearly brought to a standstill for a decade (1985-1995) because economic difficulties. After nearly half-century long interrupting, the construction of small Orthodox churches was restored. Even today there is no construction of impressive buildings that have national significance. In the middle of the 1990s a new process started in the field of public architecture, which was new on one hand but also connected to some point with the process in the previous decade. Several not very big, but significant projects indicate provisionally three lines in the development of Sofia's and Bulgaria's architecture.

The renewal of the modernist tendency is marked by the building of 'Festinvest' Advertisement House on 'Tzar Ivan Assen II' str. It is the only evidence of the adherence of a considerable part of the Bulgarian architects (especially the younger ones) to the aesthetics of the 'late modernism'.

The second trend is marked by the buildings of United Bulgarian Bank on 'St.Sofia' str, and the administrative building of Architecture Design Agency A.D.A. Ltd (by the architects of A.D.A). These two buildings, although quite late, rehabilitate the post-modernist influence from the past decade, rejected later by the eclectic post-modernism, connected with the housing constructions. An attempt for a more hi-tech approach is the administrative buildings opposite of 'Zografsky- Kempinski' Hotel and the new edifice of 'Bulbank'.

The political and economic stabilisation of 1997 laid down the grounds for restoring a larger-scale approach to the city's problems. The citizens started to feel and accept again the city as 'my own', where they could expect, demand and participate, and not like 'theirs' - belonging to the bureaucracy and the authorities. Significant initiatives were launched for the rehabilitation of abandoned and neglected public spaces: streets, open-spaces and historic buildings. In 1997 begins the realisation of the projects 'Beautiful Bulgaria' and 'Beautiful Sofia' , for the renovation of some of the most beautiful buildings: the Officers' club, Bulgarian Academy of Sciences, part of the buildings on 'Pirotska' str. The reconstruction of the 'St.Sofia' basilica is finished. In 1998 the Parliament ratified the design of a new General Urbanisation Project of Sofia, as the product of political and economic stability. With the launch of this project, the capital city steps into the 21 century and an opportunity is created for a new long-term perspective over the future and the European influence.

In 1998 the mayor of the capital Stefan Sofiyanski inaugurates the partially built underground Lyulin-Central Railway Station. Its extension continues with the intent to be finished by the end of 2010 and to reach the residential district of Mladost, i.e. the other end of the city. Also the renovation of the Central mineral baths began, which will be transformed into a City museum, while maintaining and developing further its functions of a hydrothermal and health centre.

4. Current situation 2000-2005

4.1. Sofia after 2000

A region in the Republic of Bulgaria is an administrative - territorial unit for pursuing regional politics, for realisation of local state administration and to ensure congruence between national and local interests. Sofia, being the capital, is also a region.

The territory of Sofia region is divided into 24 districts, according to the Administrative-territorial division Act of the Republic of Bulgaria. As to its territorial range, it is identical with Capital Municipality, with administrative centre the city of Sofia, which is the capital of Bulgaria and the biggest political, economic and cultural centre.

The political and economic weight of Sofia has resulted in its being identified as a 'region of growth', in line with the new Law for Regional Development. This means that Sofia is expected to be an engine of the socio-economic development of the country, connected with high technologies, market infrastructure, development of export-oriented productions, service activities with international, regional importance.

4.2. Capital of the country

By virtue being the national capital, Sofia is the administrative, economic, political and cultural, trade and tourist centre of the country. The institutional infrastructure is concentrated here, realising government functions with international, national, local, urban significance and impact in all areas of the socio-economic life. The presence of the biggest educational institutions, research institutes, financial services, development of service sphere and infrastructure develops further the management and intellectual potential of the capital.

The concentration of management functions, respectively of information, too, is an extremely important condition for the dynamic development of a given territorial unit, according to the contemporary theory for urban and regional development.

Nationally, the significance of the city of Sofia is determined by its participation in the forming of 34.3 per cent of material production, the employment of 13.9 per cent of the workforce in material production and the possession of 31 per cent of the productive capacity of the country.

The macroeconomic situation in the country during the transition and the big crisis at the end of 1996 had a serious negative influence on the development of the investment processes in general, an also on the size of the foreign investments. Recovery began from Sofia, which still gets more than 60 per cent of direct foreign investment. Although moving rapidly to a services-dominated economy, the capital city continues to be also the biggest industrial centre in the country.

The transport-communication system of Sofia is formed by the historical development of the city of Sofia, its location as an international crossroad of transcontinental and regional connections. Sofia is a unique crossing of four world transport passages and is determined for railway transit centre with strategic position. Economic turbulence between the mid-1980s and the late 1990s has, however, ensured that roads in and out of Sofia are still mostly degraded, with only the exits and entrances to the south being relatively painless, with comfortable exit roads leading seamlessly into a motorway. To the west, south-west and

north, two-lane roads ensure congestion, while the ring road's reconstruction and widening, the first for 30 years, was started only at the end of 2006. During 2007-8, work is expected to begin on constructing motorways to the south-west and west.

In the education system there are 312 educational institutions altogether, out of which 218 schools of general education, 10 specialised schools, 13 high vocational schools, 47 technical schools and art schools, ten colleges and 17 universities, among which the biggest state university – Sofia University 'St. Kliment Ohridski' and the biggest private university – New Bulgarian University.

The priority tendencies, which have central place in the politics for protecting the environment in the region of Sofia, are directed to decreasing the emission and diffusion of substances and accumulation of waste. Along these lines the following measures are being taken:

- to monitor the composition of the air constantly;
- the central heating systems in the city are completely changed from solid and liquid fuel to natural gas, which allowed a sharp decrease of the emissions of noxious substances in the atmosphere;
- a process of providing the buses in the public transport in the capital with catalysts has been started;
- a lot of projects are being built, connected to the functioning of the purification plants for drinking and waste water;
- together with the Ministry of the environment, strategies are developed for terminating or re-basing activities, which are aggressive as regards to the air, water and soil.

The environmental tasks, which are facing the region are in all possible directions – from storing and recycling the household and industrial waste and control of air pollution, to purifying industrial waste water and improving the qualities of surface waters. As a result of actions undertaken during the recent years, the ecological situation in the region of Sofia is considerably improved in spite of the exploding number of private cars, whose numbers have doubled in ten years, and the frequency of use per car has tripled, according to the Ministry of the Interior. Severe problems continue with the Municipality's inability to find a sustainable and long-term solution as regards the depositing of household waste, with the result that periodic 'rubbish crises' hit the city as temporary waste storage terrains fill up.

A National strategy for regional development (NSRD) has been worked out for the period 2005-2015, which is the main document for determining the long-term aims and priorities of the regional politics of the country. It gives the strategic directions and levels of the regional politics and is a starting point for obtaining and distributing the funds from the EU when realising the programs, concerning the regional development.

Sofia is the focus of foreign investment in this country. For the period 1992-2004 more than the half of the direct foreign investment, FDI (about 56 per cent) in Bulgaria is directed to Sofia, and during the period 2002 -2004 their share is almost two-thirds of its total value for the country (about 64 per cent). The increasing share of the DFI in Sofia is a main factor for the organisation and fast development of the local economy, but is also an indicator for the high interest of international companies to invest in the region. It is expected that the flow of 'greenfield' foreign investments to be increased in the next years.

Although it is the fastest developing and the biggest region, the prosperity of the city of Sofia remains closely dependent on the general macroeconomic stability and on the measures of the central authorities, directed to steady economic growth and welfare of the

nation. Comparatively speaking, Sofia is still far from the economies of the capitals in the other countries in CEE (Central and East Europe). According to the data from 2001, Sofia produces the lowest GDP (gross domestic product) per head, and the coefficient of overtaking of the capital compared to the rest of the country is one of the lowest in comparison to the rest countries, new members of the EU.

4.3. Demographic resources

The demographic characteristics and valuations for the demographic condition of the Metropolitan municipality are based on the analyses of a particular number of indexes. Such as: number of population; natural and mechanic population growth; sexual, age, educational and ethnic structure. In order some specific tendencies in the demographic development to be drawn, the course of the demographic processes during the last six years are observed .

Quantitative parameters of the population

The average population density for the country (2003) is 70.4 people/sq.m, whereas for the Metropolitan municipality this indicator is 12.8 times higher – 896 people/sq.m. In 1998, the calculated population is 1, 199, 708 people, according to the population census data in 2001 it is 1, 178, 579 people, in 2003 – 1, 208, 930 people, and in 2006 – 1, 377, 531.

This population can be assessed as a considerable resource, which provides the necessary manpower for the social-economical development in the region. The population density is a result indicator from the combined influence of the natural and the mechanical movement. The natural population growth (births/deaths) in Sofia municipality, average for the period, is negative (- 3.9 ‰). The population increase has been the result of immigration to the capital, which is a demonstration that that Metropolitan municipality is an attractive territory to settle down.

The data shows that the number of the people settled down is more than the number of those who move from the city. Average annual rate for the period 1998-2003 reveals that about 31, 500 people settle down in Metropolitan municipality and about 15, 500 people move from it every year, which forms an increase from 13, 394 people (2001) to 19,136 people (2003).

The assessment of the influence of *the temporary resident contingent* of the population on the development of the Metropolitan municipality and of the city of Sofia is incomplete for of lack of reliable statistical data. Expert research shows that this contingent is within 70-80 thousand people (including daily work trips, non-resident students, temporarily employed, people on business trips from other parts of the country).

Territorially, the demographic development of the metropolitan municipality shows that there is a tendency of gradual increase in the population number of the city proper. In the region outside the city of Sofia, there is also increase in the population numbers by about 4, 000 people, mostly in the villages.

The data show that although the tendency of increase in the population number in the surrounding area of the city of Sofia, the concentration in the capital city is still too high – over 93 per cent (considerably higher part in comparison to a number of European cities of the same class as Sofia, where the part of population, living outside the city proper, reaches 30-35 per cent).

While capturing proportions, official statistics continue to be incapable of estimating the true number of people living and working in Sofia. National representative surveys stubbornly produce different figures: around 1.9 million people living and working permanently in Sofia, plus half-a-million long-term temporary residents from the country and abroad. On peak days (Monday through Thursday), the number of people in Sofia touches three million, retreating to 1.8-1.9 million during the week-end.

Also polls alone reveal that at any given time there are about 20,000 tourists in the city.

Qualitative characteristics of the population

For analyzing, the data of different types of parameters of the population is used – sexual, age, educational, ethnic.

The sexual structure of the population in the Metropolitan municipality does not differ very much from the structure of the country and of the other regions. The number of men is approximately 47.7 per cent, and the number of women is 52.6 per cent. Observed as dynamics, the sexual structure of the population during the last five years doesn't show considerable diversions. In *comparative plan* with the census in 1992, the diversions from the standard sex structure of the population (50:50) the factual sex structure of the population in the Metropolitan municipality are as follows:

- 1992: percentage of men – 48.1 per cent; percentage of women – 51.9 per cent;
- 2003: percentage of men – 47.4 per cent; percentage of women – 52.6 per cent.

This diversion would hardly create any considerable problems, connected to the natural reproduction of the population, as well as to the development of the main sectors of socio-economic and infrastructural complex of the region.

The age structure of the population is more favourable than it is in the rest of the country, but evidence of an ageing population is observed here as well. In 2003, the proportion between the main age groups of the population is worrying: the under-18s form 13.6 per cent of the population, people in active working age - 65.2 per cent, and the elderly – 21.2 per cent. At the end of 2003 every fifth person in the region is an old-age pensioner. The prospects are, however, less dire than for the rest of the country. While the under-18ths have shrunk (15.3 per cent to 13.6 per cent between 1998 and 2003), the proportion of people in active age is increasing – from 62.2 per cent in 1998 to 65.2 per cent in 2003. There is also a process of decrease of the percentage of the population in beyond-active age, from 22.5 per cent in 1998 to 21.2 per cent in 2003.

Unlike the other regions in the country, where differences are observed in the age structure of the rural and urban population in the capital municipality, the differences are very insignificant (within 0.1 -0.2 per cent).

With the death-rate still outstripping the birth-rate, in spite of recent signs of recovery, the Metropolitan municipality will continue to count on a demographic 'influx' of active population from the rest of the country.

The educational structure of the population is the other important characteristics for the human resource qualities. There is a direct connection between the education of the population and the qualification of the manpower.

The educational level of the Metropolitan municipality differ sharply from that of the other regions in the country. If the children under seven years of age are excluded, the

percentage of the population with higher and college education is increasing up to 28.9 per cent of all the population, compared to less than 20 for the rest of the country.

Important factors for the concentration of high percentage of highly educated population in the Metropolitan municipality are the concentration of universities. The biggest research centre is also situated here, Bulgarian Academy of Sciences. The presence of institutional structures of high level (of executive, legislative, judicial powers), cultural and others, in which people with high educational qualification are occupied, also contributes to the high percentage of highly educated population in the region.

Sofia's districts show extreme contrasts in the educational level of the population. Five areas are distinguished, in which the percentage of the population with higher education is on average 40 per cent, and for Sredets district it is 44 per cent. A second group over the average level of the municipality is formed in the areas of Krasno selo (30.6 per cent) and Mladost (25.1 per cent). Nine more areas demonstrate the average level for the whole municipality, while four villages of the surroundings, Pancharevo, Novi Iskar, Kremikovtzi and Bankia, demonstrate from 4-5 up to 10 per cent people with higher education.

With the distribution of the population with secondary education to a certain extent the regional differences are evened out. In the new areas, the percentage of the people with secondary education is considerably higher, which is also connected to the migration of executive cadres in the past and especially from the mid-1960s until the end of the 1970s.

The educational level of the population in the Metropolitan municipality has also a positive influence on the qualification structure of the occupied people.

The ethnic structure of the region, on the basis of the figures of the population census in 2001, presents the following picture. The total number of the permanent residents in 2001 is 1, 170, 842; Bulgarians are 1, 124, 240 out of them; 6, 036 of them define themselves as Turkish; 17, 885 are Romanians; and 13, 652 are of other ethnic groups – Armenians, Jews, and others. Those who don't identify themselves and are not shown in the total statistics are 9, 029.

The indicated figures show that the Metropolitan municipality in ethnic respect can be identified as relatively homogeneous in comparison to the other regions in the country. The ethnic Bulgarian element is 96.0 per cent in 2001 for the region, and 85.7 per cent for the country. Second in number and percentage after the Bulgarian is the ethnic group of the Romanians. It is only 1.5 per cent of the population in the region. More compact communities of Romanians are created within the boundaries of the city of Sofia – in Fakulteta, Hristo Botev, Filipovsti residential districts.

It has to be indicated that of the other ethnic groups, 80 per cent of the Jews and half of the Armenians in the country live in the Metropolitan municipality and more particularly in its administrative centre.

Again, polls prove a much more reliable instrument (i.e. than official figures) for attaining the picture of reality, as regards ethnic composition. Besides the ethnic groups evident in the census, Sofia in fact also possesses: 93,000 migrants from Asia; 77,000 migrants from the Arab world; 70,000 migrants from Balkan countries (excluding Turkey). Turks prove to be up to eight times more numerous than in the official figures, being almost 50,000 in number. The Roma are also much more numerous, coming in (in representative polls) at almost 150,000. Sofia also has almost 40,000 migrants from non-Balkan European countries.

Sofia may be, like the entire Bulgarian nation, still in the grips of a demographic crisis as far as the birth/death rate is concerned; but overlaying this trend is the simple fact that in any given work-day there are three times more people in Sofia than there were in the late 1980s – many of them migrants from the hinterland, Europe and the world. This influx is hardly likely to slow down, as more and more national borders open and as Sofia's industries continue to easily accommodate all newcomers.

The explosive flowering of an 'ethnic bouquet', with the almost overnight appearance of completely new ethnic and cultural groups, is a pointer to a future in which Sofia begins to see itself as a multi-ethnic and multi-cultural metropolis.

4.4. Labour market

The analyses and valuations of the labour market condition in the Metropolitan municipality are presented for its two components – employment and unemployment.

Employment

The employment is considered as a factor for the economic growth, the competitive power of economy and the social stability in the region. The employment of the population is presented through the absolute number of the employed people and through the relative index '*employment coefficient*' (examined as proportion between the number of the employed people and the population at the age of 15 and more).

The average annual number of the employed people in the metropolitan municipality in 2003 come up to 569, 432 people. This is 24, 891 people more than in 2001. The dynamics in the number of the employed people in the capital socio-economic complex for the period 1998-2003 enables to specify the tendency of increase the number of the employed people. The indicated figures show that the deformations developed in the population employed during the transition period are being surmounted.

Sector structure of employment. The employment of the population in the metropolitan municipality is characterised by great levels of participation of the employed in the tertiary (services) sector. The figures show that 75.6 per cent of the total number of the employed people are occupied in the branches in the tertiary sector of the region in 2003. As numbers and percentage of the employed, the tertiary sector dominate over the other two sectors (manufacturing and agriculture). Services have simply swallowed all labour released from manufacturing and soaks up all newcomers. The service boom is traceable to the early years of the transition. A number of service activities developed after 1990, such as: finances, credit, insurance; investment services; real estate operations; communal and public utilities and others, as well as in trade, transport and others.

This level of employment in the services sector has stayed the same (not increased) during the last three years. The main reason for this is increasing employment in the manufacturing sector, which is rapidly recovering from the aftermath of the 1990s economic dislocation.

The percentage of the employed in the private sector has increased from 3.9 per cent in 1990 to 71.7 per cent in 2003 and indicates continuous increase. The tendency for increase of the part of the employed in the private sector in the Metropolitan municipality coincides with that of the rest of the country.

In the public sector, the percentage of managerial, analytic and applied specialists is very high, and in 2002 they are two times more than those in the private sector – respectively

63.4 per cent and 31.3 per cent. The opposite picture is observed in qualified workers, who are 6.8 per cent in the public sector, and 14.1 per cent in the private, and in workers with low qualification – respectively 6.4 per cent and 10.7 per cent.

The employment in the capital city in terms of sexual equality shows that for the observed period the correlation between employed men and women is changing to a little extent, with the percentage of men employed in 2004 being 50.8 per cent, and that of women - 49.2 per cent.

The changing economy in the Metropolitan municipality as a whole offers a good realisation of male labour. This is connected with the development of the construction branch, the development of transport and some of the branches of manufacturing industry.

The age structure the workforce. The age figures for the employed, about which there is statistical information, show that the percentage of the employed according to age groups is as follows:

- from 15 to 24 years of age – 7.8 per cent out of the total number of employed;
- from 25 to 49 – 72.4 per cent;
- over 50 and more years of age -19.8 per cent.

The educational structure of the employed indicates that the level of employment is so higher, as higher is the education degree. The biggest percentage in the socio-economic complex of the capital city are the employed with higher education degree – *university and college education*. In 1998 these specialists are 38.31 per cent of the total number of employed, in 1999 they are 37.12 per cent, and in 2002 – 44.6 per cent. This percentage is two times higher than the relevant for the country.

The percentage of labour force with low education level in the region is not high. In 2003 the working people with secondary, elementary and lower education is just 4.7 per cent out of all employed. For comparison, it can be pointed out that this percentage for the country is 16.8 per cent, in fact four times higher.

The data for the dynamics of the educational characteristic of employed in the region show that in comparison to 1998, there is a tendency for decrease of the number and the percentage of employed with lower education statute. The percentage of the employed with secondary and lower education is decreased almost two times – from 8.1 per cent (1998) to 4.7 per cent (2002). The indicated data show the presence of high-quality characteristics of the labour force in the capital, which have to be efficiently used.

Unemployment

The number of the unemployed in the Metropolitan municipality in 2004 comes up to 59.4 thousand people. Against the background of the considerable number of the employed – 568.4 thousand people, the indicated number of the unemployed forms an unemployment coefficient of 10.4 per cent. According to this index the region has the lowest unemployment coefficient among the other 27 regions in the country.

Here again, access to representative polls is necessary in order to obtain a fuller picture. It is to be expected that, when asked by officials, people working in informal contexts would claim to be unemployed, in this way putting up the unemployed figures. Polls show that the unemployed are considerably fewer (under 48,000) than the official figures, and the workforce – considerably bigger (some 800,000 full-time, plus 280,000 part-time) than any census can reveal. Simple calculations reveal a real unemployment rate of slightly more than

4 per cent - something which tallies with the everyday experiences of both employers and employees.

The dynamics in the number of unemployed and in the unemployment level during the period 2001-2004 indicates a tendency of increase during the first three years, while after 2001 a new increase had started, followed by a little drop. The reasons for that are in the consequences from the structural reform in the real industrial and tertiary sector, which was carried out in 1998-2000. On the basis of the registered unemployed in the regional Labour agency, the unemployment in the region in 2003 is 3.5 per cent. According to this indicator the Metropolitan municipality is completely commensurable with the most developed regions in the EU.

Sofia lacks the usual discrepancy, in terms of unemployment, between villages (high unemployment) and urban areas (lower unemployment). The structure of the unemployed according to their place of residence (city-village), as well as in the number of the unemployed and in the unemployment coefficient is not laden with considerable disproportions. The reason for this is that in the capital city a big part of the population from the villages and the other three cities in the region find a job.

Structural analysis and valuations of employment

The sexual structure of the unemployed in the Metropolitan municipality has more different parameters than the average for the country. Unemployed women of all the registered for 2003 19, 403 people are 120 thousand (61.8 per cent). The percentage of the unemployed women in the capital city is nearly eight points over the average for the country. There is a slight tendency of decreasing the number of the registered unemployed women. With the registered unemployed men, the opposite tendency is observed. Their number is increasing, which leads to improvement of the structure of the unemployed according to the *sexual equality*.

The age structure of the unemployed in 2003 is changing inconsiderably in comparison to that in the previous years. Essentially, the tendency the predominant group of the unemployed to include people between 30-44 years of age is kept. The unemployment among young people (includes the unemployed up to 29 years of age) is also one of the problems at the labour market in the region. In 2002 it forms 22.4 per cent out of all registered unemployed people. The municipality implements policies as regards the group of the unemployed over 50. They are 30 per cent of the registered unemployed in the capital municipality. As the circumstance is observed that with the applied gradually increase in age for pension age, it is expected that their percentage in the next years will increase.

The educational structure of unemployed in the Metropolitan municipality shows that a considerable part of them have high or higher education. According to figures of the Regional service of employment – Sofia, in the region among the unemployed those with high and vocational education make up 36.2 per cent of all unemployed. The unemployed with higher education are 24.7 per cent average annual percentage.

The conclusions drawn out of the analysis and the valuation of the social development can be formulated through the following way:

- Employment in Sofia is the highest in the country. This is a result of the presence of all the branches and activities of the economy;
- The percentage of the employed in the services has rocketed, which is a step to employment structures, characteristic for countries with developed market economy;

- There is a tendency of reflux of the employed in the state sector and their movement to the private sector;

- A characteristic feature of the labour force (employed) is the biggest number of the people with high degree of education in comparison to the rest of the country;

- The unemployment in the region is negligible;

- A mis-match of skills (required/offered) nevertheless exists in Sofia, as well as the rest of the country. While many people with higher education, having however no marketable skills, are unable to get the jobs desired and move down the professional and qualification scale, employers continue to complain of numerous unfilled vacancies for managerial positions;

The registration period of the unemployed in the labour market office is short – about five months, which is two times shorter than the average for the country. The percentage of the long-term unemployed (16 per cent) is the lowest in the country.

Income is a key factor in living standards. The main components forming income of the population are *the salary, pensions* and other social transfers (maternity pay, social aids and others), *domestic economy and entrepreneurship*.

The dynamics in the development of these components show that in the last five years in the Metropolitan municipality the percentage of income formed by salary is decreasing – from 55.3 per cent (1998) to 51.1 per cent (2004).

This clearly expressed tendency, compared to the tendency for increasing the absolute average annual amount of the salary – from 2,525 BGN (1998) to 4,237 BGN (2003) shows that the percentage of other income sources is increasing.

Apart from the decreasing significance of *the salary* as a source of income for the households, it is still keeping its leading positioning the income of the household budgets. The average annual amount of the salaries in the particular branches of the socio-economic complex varies within broad limits. In 2003, its lowest level is in agriculture, hunting and fishing - 2,596 BGN, while the highest is in the branch of financial services and real estate deals – 8, 768 BGN.

Pensions have a high part as a source in the income of the households in the Capital municipality. In the last years (1998-2004) they keep their importance in the household incomes – about 23-25 per cent. The average annual amount of one pension in the region is 1, 239 BGN (2003). The increase in the amount of the pensions for the examined period is much smaller than that of the salary. For the period 1998- 2003 the average salary has increased with 60 per cent, while the pension increase is 50 per cent. The other basic income sources for the households in the region – domestic economy and entrepreneurship don't show significant dynamics.

This means that the income growth is due mainly to the increase of the amount of the average salary and the increased amount of the pensions.

The percentage of food expenses in the households is still too high. This is an indication for not very high standard of living of the population. In comparison to the figures of the other regions and the average for the country, in the Metropolitan municipality there are a little bit higher percentage of expenses, connected with satisfying intellectual needs and necessities of spiritual character.

4.5 Social Services, Culture and Leisure

Public health

The number of medical specialists in the health institutions, functioning on the territory of Metropolitan municipality in 2003 comes to 6, 171 people, and that of dentists – 1, 562 people. In the last years (2000-2003) there is no considerable dynamics in the number of physicians, which remains the same – 6, 131 (2000) and 6, 171 (2003). In 2003 one doctor attends 196 people, while one dentist – 774 people of the population in the region. The number of dentists is definitely decreasing – from 1, 781 (2000) to 1, 562 (2003).

The leading national hospitals and medical centres are located in the city of Sofia. This includes multi-profile hospitals for active treatment (MHAT), as well as specialised hospitals for active treatment (SHAT). After 2000, the number of hospitals in the region is the same - 46. In this period there is a tendency of decrease the number of hospital beds –from 10, 305 (2000) to 9, 044 (2003). The reasons for this are in the policies pursued for intensifying the preventive activity and for decrease the hospital stay. Thus a higher turnover of the hospital beds is achieved (increase the cycle of usage by the patients as their stay in the hospital is shorter), which is a contemporary tendency in hospital care.

The infrastructure of public health of the region at the end of 2003 includes 46 medical institutions for hospital care with 9, 269 beds, including ten multi-profile and 32 specialised hospitals with 9,004 beds and four dispensaries with 40 beds. Some of the specialised hospitals are of national importance and serve the population of the country.

At the end of 2003, the infrastructure of the public health in the Metropolitan municipality includes 268 medical institutions, mostly outpatient clinics.

Education

Sofia is a recognised academic centre providing opportunities for acquiring all types and degrees of education available nation-wide.

Sofia municipality's educational infrastructure is of a significant scale, encompassing 306 academic institutions (general education schools, vocational schools, arts and language schools, colleges and universities, etc.). For the last six academic years, the number of academic institutions has not changed drastically but remained in the range of 306-308, of which the highest percentage (70.9 per cent) is of general education schools – 217. Next in number come vocational schools - 65.

Private entrepreneurship has also demonstrated interest in the sphere of education. In 2003, there were opened 49 private schools, of which 32 provide general education and 17 – vocational training.

The national demographic crisis has also had a negative impact on the structure of education in Sofia City Municipality. It has brought about a decrease in the number of students in all types of school. At the initial stage, this might prove beneficial as it provides an opportunity for a general introduction of 'one-shift' academic schedule in all general education as well as vocational schools. In time, however, it may turn out that the original infrastructure capacity is not exploited to the full due to the shrinking numbers of school students.

The capital city is also the biggest graduate studies centre in Bulgaria with a total of 19 universities and specialised colleges, which comprises 45.2 per cent of all graduate schools in the country. The significant role of Sofia in the sphere of university and college education is also proved by the fact that most of universities and specialised graduate schools here have

national functions and long-lasting traditions. 44 per cent of all graduate students in Bulgaria study in these Sofia-based universities. The total number of teachers in the graduate studies field is 10 127.

Culture and leisure

There are numerous cultural institutes, churches and cultural monuments on the territory of Sofia City. Most significant cultural sites of structural character in Bulgaria are located in the capital: theatres, museums, art galleries, movie theatres, and so on.

Theatre houses (23 in 2000) are a major infrastructural component of culture. Most of them (19) are drama theatres but there are also two puppet theatres, one opera theatre, one musical theatre and a ballet theatre. Most theatre houses in Sofia are to be found downtown and on Rakovski Street. There are also private theatre companies that present their performances on different stages.

The museums on the territory of Sofia Municipality are mostly profiled – 21 out of a total of 30. The most significant among those are the National Museum of History, the Archaeological Museum, the Museum of Ethnography, the National Museum of Natural Sciences, the National Museum of Military History, and others.

The films shown at Sofia *movie theatres* are with subtitles in the Bulgarian language, which is very good for foreigners. Over the last few years, there have been built two cinema-complexes ‘Arena Cinema’, which are among the most high-tech movie theatres in Europe. The total investment was about 30 million euros. Each site is more than 17 000 square metres and incorporating 15 comfortable halls with a total capacity of 3024 seats and equipped with state-of-the-art cinematographic technology. Several other multi-screen cinemas have (one in the Palace of Culture underground passage, and the other in the ‘Sofia Mall’, opened at the end of 2006) drawn an increasingly large viewing public. These developments have, however, ensured the demise of the old-style ‘neighbourhood cinema’, with the one of the few survivors (Vlaykova) doubling up as a culture centre, and the other (Cinema House) being basically a viewing club for the cinema professionals and their entourage.

The most recurring component of the cultural infrastructure of Sofia City Municipality is the so-called *Chitalishte* (cultural centre). In the villages of the region the *Chitalishte* is the single compound entity of cultural activities. Out of the total number of 115 *Chitalishta*, 79 are in the capital city, four – in Novi Iskar town and one – in Bankya town.

There are also many *libraries* – by 2001, in Sofia City Municipality there were functioning a total of 512 libraries, most of which were at schools (211), at *Chitalishta* (116), at various institutes (41), at universities (29), at healthcare institutions, and others. Among those, the National Library ‘St. St. Cyril and Methodius’ has leading regional and nation-wide functions together with the Central Research and Technical Library and the Sofia City Library.

As regards more contemporary forms of leisure and *lifestyle*, such as eating out, nightlife and club life, and so forth, neither the official statistics, nor the data collected by professional organisations are to date exhaustive. Nevertheless, there are a number of estimates that can be formed, regarding the forms of leisure attractive to the creative class, on the basis of existing Sofia guides.

On an average week, in the city proper more than 200 profiled leading restaurants advertise their existence, coming on top of several hundred further more modest, neighbourhood-only establishments. On top of these come around 20 beer gardens and 80 to

90 up- and mid-market pizza houses, which numbers again come on top of more numerous still modest establishments.

More than 200 profiled night-clubs advertise in the various guides, servicing every possible music and ambience taste. In an average week, some 80 live music acts perform in the 'live music' category of these clubs.

Accommodation Options

There are numerous accommodation options in Sofia: luxury and first-class hotels, lower-category hotels, private apartments for rent and hostels. The five-star hotels are 'Sheraton', 'Hilton', 'Radisson', 'Hrankov' and 'Kempinski-Zografski'. The four-star hotels are 'Sofia Princess', 'Rodina', 'Maria Louisa', 'TBS Ambassador' and 'Gloria Palace'. The rest are three-, two- and one-star hotels.

Dining Out

Most of the above hotels have their own restaurants, sandwich buffets and snack bars. Some of them also have night clubs and discotheques. In Sofia one can find an exceptional variety of diners, small restaurants, pizzerias, national cuisine restaurants and foreign cuisine restaurants, self-service places, cafes, open refreshment stalls that offer sandwiches, toasts, burgers and falafels, as well as luxurious restaurants, wineries and clubs. Daily meals would not cost you more than 20 lev – you can easily have for lunch just a pizza and a glass of wine. The places of a higher standard would require about 60 lev per day. Menus in them are generally both in Bulgarian and English, there are waiters that serve you and the whole ambience is very nice. The meals at the highest category restaurants cost about 90 lev per day. Gastronomists who like specialties and *bonne bouches* as well as brand drinks would need to prepare 100 lev and more.

The highest number of places to eat is in the downtown area of the city. The pizzerias and restaurants on the small as well as the bigger streets outside the downtown area are clearly visible and well-advertised. Typical working hours are from 11 am to 11 pm – of restaurants, and 08 am to 08 pm – of diners. Pizzerias and fast-food chains work until midnight and there are also 24-hour restaurants. There are also small booths that sell self-made snacks and pastry as well as various typical Bulgarian refreshing drinks (e.g., *boza*, *ayrian*) and work from 06 am until 06 pm.

Guests to Sofia city will be able to easily find a variety of food products as there are numerous groceries, greengroceries, gourmet shops and beverages shops. There are also many 24-hour supermarkets both in the city centre and in the various city districts, which guarantees availability of food for the tourists at any time. The practice of booking tables at higher-category restaurants ensures clients' good mood and tranquillity. Following the European model, hypermarkets are located in the suburbs and outer areas of the city. Most prominent among those are 'Oasis', 'Metro' and 'Billa'.

4.6. Housing and Residential Properties

According to March 2001 census data (population and residential property statistics) the housing situation is as follows:

- Total dwellings in Sofia region: 516 502;
- Total dwellings in Sofia city: 468 947;
- Total dwellings in Sofia surroundings: 47 555;

- Total dwellings in the active impact zone: about 65 000.

The predominant percentage of dwellings is brick buildings. There are a significant number of prefabricated buildings in the city – 42 per cent. The structure of housings in the city is quite unfavourable in terms of the number of rooms in one apartment: 20 per cent are one-room apartments (according to current nomenclature these are studios) and 40 per cent are two-room apartments.

The ratio housing vs. residents is the following:

- Average ratio for Sofia region: 2.27 residents per dwelling;
- Average ratio for Sofia city: 2.34 residents per dwelling;
- Average ratio for Sofia surroundings: 1.64 residents per dwelling;
- Average ratio for active impact zone: 1.47 residents per dwelling.

It may seem that there are no housing problems in Sofia city municipality – especially, if we take into account the high rates of housing utilisation (from 436 dwellings per 1000 people in Sofia city in 2001 to almost 677 dwellings per 1000 on the average for the municipalities in the active impact zone, which is equal to more than one dwelling per person) and the impressive construction activities, which has moved from the periphery of the city and suburban residential districts on to the old neighbourhoods of Sofia centre as well as in a number of villages with favourable environment. In fact, there are disturbing processes under way that bring about deterioration of residential properties and housing environment, growing deficits and higher territorial disproportions.

Degradation of the housing environment is particularly alarming due to the fact that in the next 20 years both the city and, to a significant extent, the active impact zone, will mostly rely on the current residential properties available. These properties, however, undergo constant degradation because of the slow process of replacement of its depreciated parts, the lack of basic maintenance practices and the fact that 205,000 dwellings are in prefabricated buildings and 5,000 more – in the active impact zone, which require more repairs and maintenance.

The same housing degradation can be observed in the villages around Sofia where people live in old solid buildings.

Current shortages relate to:

- Total dwelling area per resident (22 – 27 square metres whereas European standards require 40 square metres;
- Number of rooms (there is a serious shortage of dwellings that have two or more rooms (these comprise only 40 per cent of all housing in the city).

These shortages are due to a number of economic, managerial and town planning-related reasons:

- Housing availability is more and more limited;
- The State has been neglecting its economic responsibilities to residential properties (when it comes to providing dwellings to disadvantaged people as well as securing proper infrastructure);
- Budget allocations for housing are insignificant;
- Town planning has slowed down and covers smaller and smaller parts of the city while at the same time the inadequate regulative framework does not provide enough opportunities for diverse dwelling formats, including a higher percent of one-family houses.

The public sector as represented by the State and the municipalities does not have a clearly formulated housing policy and thus there is no such state policy currently in force.

There are no well-developed housing legislative system and relevant regulatory framework. No state or municipal institutions have been established for the governance of this sector. There are no relevant non-government structures either. There are no specific economic entities to regulate the acquisition and management of land resources and the subsequent building of infrastructure and public utilities so that these lands become attractive for housing projects. There is no efficient management of condominiums, which comprise about 70 per cent of all residential properties.

There are also problems at the level of regional structures:

- Serious territorial disproportions and precarious irregularity in terms of space utilisation;
- Danger of over-urbanising of certain areas and related degradation of natural environment;
- Contradiction between attractiveness of certain suburban territories with respect to inhabiting and housing, on the one hand, and their inefficient infrastructure maintenance and difficult access for transport, on the other;
- Critical, and in some cases disastrous economic deterioration and depopulation of most suburban areas.

The problems at the level of individual residential units of the compact city are strictly area-specific. The most noticeable concerns are those of the downtown area.

Most old neighbourhoods are crumbling (especially those to the north of *Todor Aleksandrov* Boulevard): what we see is dilapidated and badly maintained buildings, deteriorated infrastructure and neglected environment.

Residential areas are generally characterised by lack of functional, communicational and special integration within the current city structure. The technical infrastructure has not yet been finalized; public services networks have not been efficiently developed; underground parking lots are still to be built; there have not yet been designed urban plans for a number of large lots that continue to be neglected and not maintained – all these aspects paint a picture of a non-attractive and depressing housing environment.

Serious structural-planning problems were created as a consequence of restitution of land plots (frequently, between blocks of flats) which brought about a co-existence of privately-owned housing with municipal ownership of the land. This makes it very hard to organise any type of maintenance of open spaces. Also critical is the situation of the prefabricated buildings, because of their deteriorated operational, heating technology-related, sound-absorbing and aesthetic qualities and the depreciation of engineering installations.

The problematic neighbourhoods (ghettos) are mostly populated by the Roma minority. They are to be found not only in some districts of the compact city (the districts of Hristo Botev, Fakulteta, Filipovtsi and the north-western part of the central area) but also in the towns of the active impact zone (Dragoman, Slivnitsa, Kostinbrod, Bozhurishte, Svoge and Elin Pelin). The style of living and the housing standards of these neighborhoods are unacceptable for a European capital. These areas need a general restructuring initiated by the public at large and taking into account their social, economic and demographic specifics.

The so-called ‘Vitosha Mountain Foothills’, i.e. the ‘green’ southern parts of the city experience serious structural problems as well. Although this is the zone with most intensive market activity, the lack of an adequate sewerage system and water-supply capacity, as well as hectic market developments, threaten to degrade the positive aspects of this residential environment.

The so-called 'Northern town' also presents specific problems within the compact city as such. This general zone is in an unprivileged position compared to the 'Southern town' in terms of transport accessibility, environmental conditions, market activity, price levels, social and economical profiles and other factors. An important prerequisite for doing away with this general zone discrepancy is to eliminate the very serious pollution caused by 'Kremikovtsi' metal giant and the conversion of northern industrial areas of the town. A good chance for elimination of the discrepancy in the development of the Northern and Southern zones is the building of the collective trans-European transportation corridor, which will be passing to the north of the city and in this way will represent a northern axis of economic activities linking the two zones.

Alongside the problems of the compact city, the towns in the suburban area and the active impact zone there are also issues that need a solution and that are specific for the small city:

- A process of replacement of permanent residence by temporary (seasonal) residence;
- A replacement of traditional architectural profile and functional and spatial specifics of these city that exhibit a potential for rural tourism development.

4.7. Street network and national transportation network

The development of the transportation and communication system in Sofia region has been undertaken in such a way so that conditions are created for its interlinking with the European highway infrastructure. In this respect, it is necessary to interconnect this international corridors network with the transportation and communication network of the city and the region through a reconstruction of existing and building new connections.

The transportation system of the capital is well-developed, but continues to be overloaded at peak times; and is an important part of the national transportation network. In Sofia there are in operation all types of transport with the exception of water transport.

Public Transport

The underground railway (metropolis) is the backbone of public transport, although there are to date only eight stations along a single line, linking the western suburbs of Lyulin, Obelya and Zapaden Park to the centre. There is envisaged the building of two main diagonals: *Obelya Residential District-Centre-Mladost 4 Residential District* (with a detour to Sofia Airport) and a second diagonal: *Nadezhda Residential District-Centre-Manastirski Livadi Residential District*.

The underground system will have a number of main connections with the railway network in the vicinity of Sofia Airport, which provide an opportunity for integrated operation of underground and railway. The current level of development of the underground infrastructure does not permit it to implement its functions in a full-fledged manner, although the percentage of underground passengers is gradually on the rise.

The tramway system has been developing and being restructured to implement the functions of transporting passengers to the metropolis and at longer distances. New routes have been constructed and others have been closed down as their functions will be taken over by the metropolis. The overall structure of the tramway network takes into account the development of the underground.

There are still many people who travel by bus. Bus transport will be developing mostly for serving the peripheral areas. Trolley-bus transport will evolve through expanding its lines network as its main functions are also supporting to the main transportation means in the city. However, being an environmental-friendly mode of transport, the trolleys will be probably substituting some bus lines that have a full 24-hour passenger load (mainly the ring lines).

Less and less people use public transport compared to those with cars. The introduction of more comfortable public transport vehicles has partly improved the quality of transportation services although according to 57 per cent of respondents the transportation services are not efficient enough.

Railway System

Sofia is the most important railway centre in Bulgaria, as it is responsible for the operation of the connections with the interior of the country alongside five directions. There have been built eight railway stations (*Central Station, Sofia North, Ilientsi, Poduene, Iskar and Zaharna Fabrika*) together with respective engine and wagon depots. Sofia is also the administrative centre of Bulgarian State Railways Company.

Compared to the average national situation, the railway infrastructure of Sofia is comparatively well developed. However, compared to other European cities this is a more quantitative than qualitative development. There are three times heavier freight transport going through Sofia railway station than the amounts the region itself receives and sends (consumes and produces). The relative ratio of transit cargo has been increasing. While Sofia 'provides for' the railway network about 3-4 per cent of overall traffic, 20 per cent of transit railway traffic for the whole country (loaded in-shore or off-shore) goes through Sofia hub.

These facts define Sofia region as a railway transit centre and are one more proof of the strategic location of Sofia city and its locality, which has not been exploited efficiently as yet. It is necessary for the railway network to be more oriented towards providing around-town and in-town transportation services.

Bus Stations

The current state of bus stations is unsatisfactory. Some of them should be reconstructed anew and equipped in a way that corresponds to EU requirements. The goal of these modifications is related towards the creation of a common transportation system, the components of which will complement each other and function harmonically and in synchrony. It is necessary to close down some of the present inner-city bus stations so that the respective lots are vacated for more attractive activities. These bus stations will be moved into the city periphery and in the immediate vicinity of underground stations, railway stations and tram stops so that connections are established with the public transport system, railway network and the underground.

Air Transport

Air transport is represented by the biggest airport in the country – Sofia Airport, as well as the airbases in Musachevo, Dobroslavtsi and Bozhurishte. The new Sofia airport parameters are in compliance with international standards for passengers' services, Class , Category , according to ICAO instructions. However, the current Sofia Airport, even with its second terminal opened in 2006, cannot operate as an efficient transcontinental and international

airport and a new location is needed for an airport close to Sofia. The current one can still be used for national, some international and charter flights. The airbases in Musachevo and Dobroslavtsi will be used for sports activities – air-tourism, parachute jumping, etc.

Roads and Public Cable Lifts to the Vitosha Mountain

There are two main roads for accessing the Vitosha Mountain either with a car or by bus: the tarmac highway Boyana – Zlatni Mostove (9.5 km) and the highway Dragalevtsi – ‘Aleko’ Tourist Lodge (14 km).

The public cable lifts that can quickly and easy bring tourists to the mountain are:

- Cabin cable-lift ‘Kniazhevo – Kopitoto’;
- Two-seat, two-stage cable-lift ‘Dragalevtsi – Bhai Krastyo – Goli Vrah’;
- Cabin cable-lift ‘Simeonovo – ‘Aleko’ Tourist Lodge.

In the vicinity of ‘Aleko’ Tourist Lodge there are two more cable-lifts:

- Two-seat cable-lift ‘Romanski – Malak Rezen Peak’, which provides services to skiers and tourists that go to Cherni Vrah Peak;
- Three-seat cable-lift ‘Akademika’.

4.8. Telecommunication Services

A major prerequisite for the development of both telecommunication services and the general social and economic environment of Sofia Region is the introduction of efficient and up-to-date information and communication infrastructure that would provide equal access to the information and communication resources from any point within any territorial unit.

The revolution in the sphere of information and communication technologies provided a strong impetus to mobile communications development with regard to decreasing services costs and a transition from telephonic to multi-service mobile networks.

The telephonic network is a major component of the information and communication infrastructure of Sofia region. The whole territory of the region is incorporated into a unified telephonic network, i.e., subscribers utilise services under equal conditions. It is a mixed analogue-digital type of network. However, a process of replacing the analogue stations with digital ones has been under way for some time already.

The total number of subscribers is about 720 000, which represents a telephonic density very close to the upper permissible level. Almost 40 per cent of all subscribers are still integrated into duplex telephone lines. There are in use about 12 000 public telephones of two types – with coins and with prepaid cards. There are about 75 000 more applicants in the waiting list – most of them are from the city peripheries.

The digitalisation rate is measured by means of the following indicators:

- Digitalisation of stations – 50 per cent
- Digitalisation of connection network – 80 per cent
- Digitalisation of connections with the national and international networks – 100 per cent.

The disproportion between installed capacity and utilised capacity is a result of the created conditions for dismantling analogue capacities and replacing them with digital ones.

There is in place an Optic Network, which interconnects all production and technologic buildings of the Bulgarian Telecommunications Company as well as the points of agreed interfaces with other licensed operators and big corporative clients.

Since 01.01.2003 there has been undertaken a liberalisation of voice telephony and telecommunication infrastructure towards a common use, which provides an opportunity for new operators' participation and establishing of a competitive environment. Local authorities are those with the capacity – through various forms of partnership – to direct the interests of operators towards achieving of the strategic goals of the information and communication infrastructure.

The development of information and communication technologies has had a negative impact on telegraphic messaging. The functions of the telegraphic network of the Bulgarian Telecommunications Company (telex and teletype) have been losing their importance. Since 2006 there has been started a gradual replacement of current forms of telegraphic messaging by fax-messaging and specialised Internet applications.

The market of cable TV systems has been completely liberalized. This sector's development has been chaotic, tempestuous and unregulated. There have been issued about 40 licenses for projects related to providing cable TV services for Sofia Region. There are about 30 cable systems currently in operation. Total number of users is around 350 000. Some operators offer broadband Internet access, as well. Under the current situation the present cable systems cannot be regarded as a component of the perspective information and communication infrastructure.

The period after 1998 has been characterised by a rapid development of mobile communications. To date, three licensed mobile operators cover the territory of Sofia: Vivatel, MTel and Globul.

During a period of almost three years 'MTel' was practically a monopolist company, which allowed it – also on the basis of the indisputable technological advantages of the GSM standard – to achieve an exceptionally high development rate. The second GSM operator – 'Globul', started with an aggressive policy and within a year also succeeded in obtaining a significant market share. Thus there was formed a 'duopolistic' type of configuration, which led to high prices and lack of stimuli for modernisation and, in particular, for providing higher-speed Internet services.

Numbers for Sofia mobile users are not available, but it is likely that mobile density is considerably higher than the national average (4.5 million of Bulgaria's 7.4 million people have mobile phones).

Internet access is a type of service where price and quality of service provision are main criteria for the degree of development of the information and communication infrastructure. The market in this sector can be defined as chaotic and unregulated. The Internet providers' approach is short-term – they are looking for a quick realisation and speedy return on investment together with a large profit. There have been undertaken no efforts for development of an appropriate infrastructure with adequate international connectivity (for example, international sites' access is four times slower than the access to national sites).

Sofia city-based subscribers are estimated at 120 – 150 thousands, of which about 70 thousands are households.

The widely spread cable TV systems are an important component of the information and communication infrastructure. A significant percentage of them are based on optical cable

networks and have a potential to function not only as TV cable operators but also as alternative broadband Internet networks covering the whole territory of Sofia city. As an outcome of the liberalisation of the information and communication sector and in the sphere of telecommunications, in particular, there are many more participants in the market, which requires of an efficient regulatory framework for introduction of clear and transparent rules for consumer protection.

5. The state of the creative knowledge sectors

5.1. Economic Development Factors

Comparative analyses of the various parameters of indicators that assess the economic development of Sofia in comparison with the average for the country and of the rest of regions demonstrate a high rate of development.

There are various factors and conditions that predetermine the good standing of the region. Among the positive stimuli we can pinpoint the following:

- Favourable location of the whole region and of its centre – Sofia city;
- Sofia's functions as a connecting hub with a well-developed transportation network and communications. Compared to the rest of regions, the capital city is most accessible both in terms of transport and of communications although it is far behind other big and capital cities in Europe;
- Very efficient and technically well-developed general territorial infrastructure;
- Accumulated experience and traditions in the development of industrial and service sectors;
- A significant quantity and high quality of human resources and labour potential, which is characterised by high qualifications and rich production experience;
- Established facilities of significant capacity in all industrial sectors;
- Availability of a high number of graduate schools and scientific research centres and institutions, which encourage innovative development of the city and provide an opportunity for establishing technological parks and other forms of merging science with production;
- Investment attractiveness of Sofia municipality for the implementation of projects in the sphere of manufacturing, trade, tourism, high-level services, etc. Sofia leads nation-wide in terms of volume of foreign direct investments.
- Rich and varied culture and leisure opportunities. With most of Bulgaria's cinemas and theatres concentrated in the capital, which also has more entertainment night-spots (music clubs, style bars, late restaurants etc) than the rest of the country put together, Sofia provides the style of life that is closest to 'Western' trends and thereby appeals to modern and creative people. The rapidly increasing complexity of its ethnic and cultural mix, as well as the presence of a student population of some 40,000 provides the city with additional 'drive' in terms of lifestyle.

Apart from the factors and conditions that encourage the social and economic development of Sofia, there are some that are of a restrictive character:

- Not well operating or unreliable connections with the new European and international economic activity and entrepreneurship concentration centres, which is a reason for increased prices and the need for regional industry to exert more efforts in order to achieve commercial and investment market penetration as well as to secure a place for itself on international markets that are expected to expand;
- Shortage of markets for production realisation, which is due to the insufficient absorbing capacity of the internal market, limited solvency of consumers and low compatibility of manufactured goods and services;
- Lack of technological, market and entrepreneurship modern infrastructure capable of activating the business sector and position favourably the country and the city in the hectic international regional and urban competitive environment with the aim of attracting

investments, prestigious activities and modern productions to act as catalysts of general development;

- A definite necessity for restructuring and modernisation of manufacturing industry, development of innovative and competitive productions that would consume a significant investment capital.

- Lack of modern-type utilisation of available leisure resources, such as the two big water reservoirs, the string of lakes to the north of the city, Mount Vitosha and the other mountains and hills surrounding the capital (Lyulin, Lozen, Balkan etc).

5.2. General characteristics of the territorial & economic entity

Officially, on the territory of Sofia city and Sofia municipality in 2001 there were 41 710 small and middle enterprises with 248 399 employees and a total of 16 865 million lev revenue. In 2003, their number increased to 47 545, of which employed were 295 126 and total revenue was 26 826 million BGN. However, operational expenses of enterprises have also increased: from 16 517 in 2001 to 25 570 million BGN in 2003.

One of the main micro-indicators that illustrate the condition of the social and economical characteristics of Sofia Region is GDP (gross domestic product). In 2002 GDP for the territory of the whole region was 9,429 million lev, which is about 29.1 per cent of the total national GDP. In the period 1998-2002 there was a noticeable GDP increase – from 5128 million lev (1998) to 9429 million lev (2002), i.e., the growth was by 83.8 per cent.

For the sake of comparative analysis (in order to assess the position of Sofia city municipality in the overall national economic and social picture) there has been used the relative indicator of ‘GDP per capita’. For 2002 this indicator for Sofia region was 7,938 lev while the average for the country was 4,109. This is 92.4 per cent higher GDP per capita than the average rate for the whole country. With reference to the same indicator Sofia metropolitan municipality is also much ahead of the other regions in Bulgaria.

For the same year, GDP per an employed person in Sofia region was 17 248 lev (8 820 EUR).

Another indicator that demonstrates the economic development of the region is ‘economic revenue size’. The economic revenue size of the enterprises in 2003 was a total of 37,213 million lev, of which 50.4 per cent came from commercial activities, car repairs, personal items and domestic utilities and 7,319 million lev (19.67 per cent) came from the processing industry. Net revenue was a total of 34.862 million lev, of which 52.55 per cent came from commercial activities, car repairs, personal items and domestic utilities and 19.34 per cent came from the processing industry.

The gross production of enterprises operation was 17,965 million lev, of which 17.55 per cent came from commercial activities, car repairs, personal items and domestic utilities, 36.19 per cent - from the processing industry and 14.77 per cent - from transport, warehousing and communications.

Towards 2003 operational expenses of enterprises were 35 090 million lev, a bit more than the half of which – 52.45 per cent came from commercial activities, car repairs, personal items and domestic utilities and 20 per cent came from the processing industry. The profit for 2003 from enterprises’ operational activities was 2 198 million lev, of which 18.97 per cent came from commercial activities, car repairs, personal items and domestic utilities, 16.43 per cent - from the processing industry and 20.38 per cent - from transport, warehousing and

communications. An important tendency is the increasing profit from operational activities of enterprises that has been taking place over the last five years.

The amount of profit in Sofia city municipality has increased from 625 million lev (1999) to 2,198 million lev (2003), which is 3.5 times higher profit. At the same time, there have been accumulated losses of 630 million lev, of which 28.3 per cent came from commercial activities, car repairs, personal items and domestic utilities, 17.14 per cent - from the processing industry, and 12.22 per cent - from transport, warehousing and other industries. This is a proof that the most important sectors in the economy of Sofia city municipality are industry, commerce and manufacturing services as well as transport and communications.

Another indicator is the size of investments for acquiring of tangible fixed assets. In 2002 they were 3306.2 million lev, and in 2003 – 3 958.1 million lev.

The dynamics of investment capital size indicates a tendency towards a continuous increase – from 1,505.9 million lev (1998) to 3,958.1 million lev (2003), which is more than 2.6 times. There is one important specific: out of the total investment volume, 52.8 per cent were in the private sector. For comparison, in 1998 and 1999 investments in private sector were, respectively, 39.2 per cent and 36.8 per cent.

Sofia city municipality is characterised with a high concentration of fixed assets. Fixed assets per capita in Sofia city municipality are twice as many as the nation-wide average estimate. Another indicator of the high volume of capitals in Sofia city municipality is tangible fixed assets per square km, where the municipality occupies first position for the whole country. The concentrated funds per square km here are almost 25 times more than the average nation-wide estimate.

Primary Sector: Agriculture

A more definite picture of the position of agricultural sector in the overall social and economic structure of Sofia city municipality is provided by the relative share of production that is part of GDP of the region as well as the relative percent of employed people.

The agricultural sector has a relatively small share in the overall GDP of the region – under 1 per cent, which comes as a consequence of the rapid and intensive development of the other two sectors: processing industry and services. For 2002 agricultural produce comprised 0.7 per cent of GDP of the region and the tendency is for that share to further decrease. The number of people employed in this sector is also small – they comprise only 1.2 per cent of total number of employed people and even this percentage is on the decrease. Notwithstanding the indicated data, which point at the more modest share of the agricultural sector within the overall social and economic profile of the region, this sector will play an important role in the future development of the territory. This is linked with the utilisation of land resources and the provision of agricultural produce and employment opportunities as well as a source of income for the population.

Agriculture in Sofia region has developed according to available land resources, established manufacturing infrastructure, and the tradition and experience of the population in the agricultural sector.

Total size of cultivated land in Sofia city municipality in 2000 (this is the last year, for which there is any statistical information available) was 52 thousand hectares (ha), of which the cultivated land was 43 thousand ha and it is about 29.4 per cent of region's territory. Most cultivated land is in the northern and less urbanised part of Sofia region – in the areas of Novi Iskar, Kremikovtsi and Pancharevo. Out of the total area of cultivated land fields are 35

thousand hectares, natural lawns – seven thousand hectares, and perennial plants – one thousand hectares. The dynamics of farming land structure over the period 1988 – 2000 indicates that there has been an increase of its total size from 38 thousand hectares (1998) to 43 thousand hectares (2000).

Cultivated land structure is also undergoing changes – its total area has increased from 32 to 35 thousand hectares; the same applies to the total area of natural lawns – from six to seven thousand hectares. Farming land has been decreasing in size: from 23 thousand hectares (1988) to 15.3 thousand hectares (2000).

Agricultural Branches

Sofia region agriculture is oriented towards plant growing and stock breeding. It is specialised in the production of fodder, meat, milk, vegetables and potatoes. There is an agricultural zone that has gradually formed around the city of Sofia itself and its produce has been covering some of the demand of the capital's citizens of fresh vegetables, milk and milk products.

Plant Growing

Plant growing is the best developed branch of agriculture, specialised in the production of grain crops, fodder, technical crops, vegetables and perennial plants.

Among the agricultural crops, the best developed are the grain crops, which take 52.4 per cent of the total farm land. Second in terms of relative share of total farm land come the fodder crops (22.2 per cent) and third place is occupied by vegetables and potatoes (18.4 per cent).

Wheat takes highest percentage of the total farm land with grain crops. *Vegetables* are very important for Sofia city municipality. Notwithstanding the relatively large farm land that they occupy, vegetable produce is insignificant – Sofia municipality produces just a bit more than 2 per cent of all vegetables in the country. These are mostly mid-European types /leek, cabbage and carrots/.

A negative tendency is the absolute and relative decrease of both farmed land and production of tomatoes and pepper. Cabbage and potatoes have a priority status among the rest of vegetables in the municipality of Sofia. Among the perennial plants, highest share is of pear production – 11.7 per cent of total nation-wide production.

Concentration of vegetable growing exceptionally in the areas between the centre and peripheries of Sofia region forms the so-called vegetable-ring around Sofia city /the villages of Chepintsi, Kazichene, Krivina, Petarch, Svetovrachene, and others/. The Sofia vegetable-growing area is a relatively new one and its growth is directed towards satisfying the needs of the big consumption centre, which Sofia is.

Stock Breeding

Stock breeding in the region is specialised in the breeding of cattle, sheep and chickens. Stock breeding has been developing in a tight connection with the capital and its demand for meat, milk, eggs and honey. Towards 2001 the total number of cattle was 7028, which represents only 1.1 per cent of the nation-wide total number. The total number of cows is 5626 – 1.3 per cent of the overall for Bulgaria. Swine and poultry are also about 1.4 per cent - 1.1 per cent. The number of sheep and goats is almost 1 per cent of their total number in the whole country.

The dynamics in the number of stock animals during the reported period (1998 -2001) indicates that the tendency towards decrease is still present but limited.

The rich forest resources of Sofia city municipality have an important role for the development of the forestry industry. Territorial balance data indicate that in 2002 forest territories occupied 42,622 hectares, which is around 1 per cent of the total forested area in the country. All forests on the territory of Sofia city municipality are with a special purpose and that is why this is the only area in the whole country where there are no commercial forests or forests used mainly for the timber industry or with landscape functions.

There are two forestry enterprises operating on the territory of Sofia city municipality: State Forestry Administration of Sofia City and National Park Vitosha. In 1997 Sofia-city had 0.7 per cent of fixed tangible assets of national forest industry, 22.1 per cent of received income and 1.03 per cent of those employed in the forest enterprises.

Forest resources on the territory of Sofia city municipality are limited and of no substantial industrial purpose. Ever since 1995, the utilisation of timber has been on the increase and this will to a high extent satisfy the needs of Sofia city. Additional usage are for pasture (with a permissible load of 0.64 cattle heads per 1 ha and four small farm animals per 1 ha) as well as hay harvest.

Secondary Sector: Industry

Industry has a very prominent role for Sofia city municipality economy, as it provides about 20 per cent of income from activities in the material sector, involves approximately 16 per cent of all employed people and has at its disposal 45 per cent of all facilities of material industry. These basic parameters of industrial development of Sofia city municipality are better than the average for the country.

In 2003 the industrial enterprises were 4,518, of which 31 were in the extractive industry and the other 4,487 – in the processing industry.

The sector structure of industrial enterprises indicates that out of the existing in 2003 a total number of 4,473 enterprises in the processing industry, 3,385 (75.6 per cent) are in six sectors. The high number of these industrial enterprises in the separate sectors is a proof that a significant percentage of them are micro- and small enterprises with a small number of employees.

This also explains the significant increase in the number of industrial enterprises over the period 1998-2003. The dynamics in the number of industrial enterprises for this period indicates that for the last six years there has been a growth rate of 131 per cent. A better understanding of the place and significance of the various industrial development sectors is provided by the data on production realised by industrial enterprises (acc. to different sectors). In 2003 the industry of the region realised a production at the total amount of 7,140 million lev.

Sofia city industrial profile is comprised of the full range of sub-sectors with the exception of the oil and gas industries.

Main enterprises of the sector „Metal processing and manufacturing of metal products’ in the region are ‘Kremikovtsi’ joint-stock company and ‘O.TS.M.’ joint-stock company. Sofia occupies third place in the country with respect to volume of non-ferrous metals production. The prospects of this industry are, however, in severe doubt, as Kremikovtsi continues to generate losses in spite of several changes of ownership. In February 2007

electricity supply to the plant was temporarily discontinued because of a backlog of debt to the electricity supplier.

The sector „Machinery and Equipment Manufacturing’ is represented by 321 different manufacturing structures, of which around 30 have a structure-forming function for the overall sector. These are the main groups of products: machine tools, steam cauldrons, electrical cars, motor cars, cranes, lifts, household fridges – medical equipment.

The sector „Manufacturing of electronic, optical and other equipment’ is represented by the manufacturing of generators and motors, power transformers, copper conductors, piezo, piezoelectric devices, silence products, electronic constructive elements, electronic cash registers...

The sector „Manufacturing of textile, textile products and clothes’ is specialised in the production of cotton yarn and fabrics, woollen fabrics, cotton knitwear. This industry’s share has been decreasing within the general structure of Sofia city industrial manufacturing (from 4.9 per cent in 1998 to 4.5 per cent in 2003). In 2003 this sector incorporated 522 production units.

The sector „Manufacturing of food, beverage and tobacco products’ is very important for the economic of Sofia municipality as it closes down the cycle ‘agriculture – food industry’.

The number of production structures in this sector is 620, most of which are micro- and small enterprises.

Construction Industry

The development of the construction industry in Sofia municipality is linked with the demands and the scale of the city and its surrounding territories.

The last years have been characterised by qualitative changes in the structure of construction industry. This transition has been characterised by a sharp decrease in the construction of industrial enterprises and of public service buildings as well as the gradual shrinking of the scope of constructions implemented according to industrial technologies (prefabricated concrete). The current main directions within the construction industry have been connected with the renovation of restituted land and real estate in the central city zone, construction of individual buildings and blocks of flats (mostly in the prestigious city neighbourhoods) and maintenance of urban infrastructure with state budget financing.

During the period 1992 - 2001 there were built 57,128 residences. For the period 2001 – 2003 residences increased with 3,468 more, and the population - with 30,357 people. In 2003 there were a total of 519,426 residences in the region.

Tertiary Sector

Sector’s Economic Characteristics

The analysis of the situation in the tertiary sector of the economy of Sofia city has been done on the basis of the indicator of ‘*number of employed people*’. This indicator measures the participation of tertiary sector in the economic development of Sofia city municipality compared to the development of the overall national economy. In order to define social activities and the functions of the social infrastructure in Sofia municipality, apart from the data on employed people there have also been taken into account the size of municipal budget expenses and the commitments of state and local authorities for the development of these activities.

The employment-related analyses and assessments that have been carried out make it possible to draw the following conclusions:

- During the period 1998 – 2003 this number has been increasing – from 355.2 thousand people to 430.5 thousand people. The tertiary sector in Sofia municipality has a higher relative share of the nation-wide total number of employed people. This situation has been maintained over the last six years. In other words, if in 1998 the employed in the tertiary sector were 71.4 per cent, towards 2003 they comprised 75.6 per cent of the total number of people working in the sector of Sofia city economy;

- The profile of Sofia as a service-provider city is among the main reasons why there is a significantly higher percentage of employed people in the state administrative and governance structures, the judicial system, security and public order, etc., as well as the concentration of sites of national and regional significance (graduate schools, university hospitals, national health centres, central institutional hospitals – the ones affiliated with the Transport Service, the Ministry of the Interior and the Military Institute of Medicine).

In 2003 the private sector held 65 per cent of ownership on employment in the tertiary sector of the capital city's social and economic structure. Understandably, this ownership is not present at all in the 'State Governance' activity line, while it is more than 94 per cent in such branches such as trade, public catering, etc. The employment data indicate that some of the specifically social sectors such as education, healthcare, culture and others, by 2003 there were employed a significant number of people. For example, only in the sphere of education in Sofia municipality there have been employed 35.3 thousand people, and in the sectors of healthcare and social activities – 31.7 thousand people.

A significant budget has been provided yearly for the development and ongoing support of social activities and branches – both from the state budget (from the respective ministries' budgets) as well as from the municipal budget. The available information concerning only the municipal budgetary expenses for Sofia municipality indicates that for the last four years (1999-2003) there has been a significant increase of budget funds – from 85.6 million lev (1999) or 19.1 per cent of total budget expenses to 133.5 million lev (2003), which constitutes 54.6 per cent of total expenses of Sofia municipality.

In 2004 the share of central budget in the budget of Sofia Municipality was decreased down to 34.6 per cent, which is 76.6 million lev less than in 2003.

For healthcare and social assistance figures are, respectively – 80.7 million lev (1999), i.e. 18.3 per cent of the budget and 56.8 million lev (2003), or 14.7 per cent. The decrease in relative share of budget expenses for healthcare is due to the fact that part of pre-hospital costs has been covered by the Health Insurance Fund. Budget expenses for the branches from the tertiary sector are actually higher than indicated figures. The costs for vocational training, graduate education, scientific research work, centrally state-governed hospitals, theatres, national museums, art galleries, etc. are covered by the budgets of respective central state institutions, for which there is no available relevant information.

5.3. Business Infrastructure

The business-supporting infrastructure includes banks and other credit institutions, insurance companies, real estate agencies, customs institutions, regional development agencies, business incubators, stock exchanges and specialised commodity exchanges, duty-free zones, fairs, specialised exhibitions and shows, and others.

The degree of development of business structure is measured by the number of employed people in respective branches and activities. The data on people employed in business-supporting activities during the period 1998 – 2003 indicate a tendency towards an ongoing and stable increase. In 1998, in the business-supporting activities there have been involved 74.5 thousand people, which in 2003 reached 95.9 thousand people, which is 16.8 per cent from the whole working force in Sofia municipality. The significance of the business infrastructure in Sofia region is also demonstrated by the fact that the people employed in this sphere are about 54 per cent of all people involved with business activities in the country, which is related to the localisation in Sofia of HQs of all banks and insurance companies, customs and tax administrations and other business structures.

Financial and credit institutions' infrastructure includes commercial banks and non-banking financial structures (credit providing or broker). In 2003 in Sofia there were to be found the HQs and networks of branches and representative offices of the 29 licensed commercial banks, six branches of foreign banks and four mixed banks (Bulgarian and international participation). The biggest network of branches on the territory of Sofia municipality is of DSK Bank – 28 branches; Post Bank – six branches and 24 representative outlets in post offices; 'Biochim' Bank – seven branches, and others.

The insurance market also includes business-supporting institutions. In 2002, according to data by Insurance Control Agency, in Sofia municipality there were 32 licensed partnerships. The HQs of insurance companies are also in Sofia.

Tax administration authorities are also linked with the development of market relations and can be seen as an element of market infrastructure. The network of tax offices in Sofia city municipality incorporates sites that are located in the various districts of the capital.

The employment market incorporates units that are de-concentrated structures of the Ministry of Labour and Social Policy (National labour Service, respectively). These are the so-called Labour Bureaus. There are nine such bureaus functioning on the territory of Sofia city municipality. In addition there are also two stock exchanges – the Bulgarian Stock Exchange and Sofia Stock Exchange.

There are three representative units of customs authorities in the capital city of Sofia: Central Customs Administration, Regional Customs Administration of Sofia, three customs offices and four customs bureaus. Sofia Commodities Exchange is the leading among all commodities exchanges, which also include the so-called commodity markets. The biggest among them are Trade Centre 'Ilientsi', Vegetable Market Exchange 'Slatina', Books Commodities Exchange, the Constructions Materials Exchange, the Metal Products Exchange and others.

Other important institutions that are of significance for the market infrastructure are the Bulgarian Chamber of Commerce, the Bulgarian Chamber of Commerce and Industry, the Bulgarian Supervision Institution, various advertising agencies, and others.

5.4. Tourism

The factors that have an impact on the development of tourism in Sofia municipality are:

- The place and role of the regional centre – the city of Sofia – in the tourist destinations. Sofia is both a point of arrival and of departure for the international tourists travelling by air when they come to the winter resorts that are in the active impact zone and

outside it (Vitosha, 'Borovets' and Bansko). Part of the transit tourists use the tourist infrastructure established in Sofia region;

- The economic functions of the capital are an important factor for the development of business tourism. Another relevant factor is the degree of development of the various in-sector branches that provide catering services, well-educated and qualified human resources, network of so-called 'entertaining industry' sites, institutional activities that take care of the security and tranquillity of tourists, etc.;

- Availability of diverse and high-quality tourist resources. Sofia municipality possesses natural – geographical and cultural – historical resources that can easily compete with those of the leading tourist and resort conglomerations in the world. The same goes for the rich cultural and historical heritage: the 'Serdika-Sredets' Reserve, the Boyana Church and the Borisova Gradina (Boris's Park), which are models of park and garden landscape artistry, as well as the numerous monasteries from the so-called 'Sofia's Mount Athos' and others;

- The fact that there are protected areas in Sofia municipality, which are close to the Nature Park of Vitosha with its two reservations – 'Torfeno Branishte' and 'Bistrishko Branishte' as well as the natural sights of the Boyana Waterfall and Boyana River, the Waterfall of Samokovishteto on the river of Boyana, the 'Duhlata' Cave (the longest cave in Bulgaria), the Pyramids of Katina – earth pyramids in the locality of the village of Katina, the locality of 'Golemiya Dol', 'Vrana' Park – a park of garden and landscape art, etc.;

- The already built tourist infrastructure and prepared personnel for the sphere of tourism that are available in the region and others.

One of the criteria defining the status and place of tourist sector within the overall social and economical structure of Sofia region is the number and relative share of people employed in this sector. Data for 1998 indicate that there have been 10,415 people employed in Sofia municipality in various economic fields, hotels and restaurants (minus the self-employed people). In 2003 their number increased to 21,456 people, which is an almost double increase.

Some idea about the tourist interest towards Sofia and Sofia municipality and about their position in the overall structure of tourist destinations in the whole country and in the South-Western Planning Region is provided by the data on number of tourists, number of beds per day and number of accommodations. The statistic information about 2003 indicates that in Sofia municipality there are 62 accommodation places, of which 57 are hotels and four are hostels. The number of beds in all accommodation places – hotels, motels, tourist hostels and others - is 9,884, of which in the hotels – 8,949, in motels – 543, and in hostels – 374 beds (279 of which are in the four biggest lodges) and so on.

In all the accommodation places in Sofia municipality there have been a total of 976 thousand accommodations (7.8 per cent of the overall number for the whole country), of which 539 thousand were accommodated foreigners. The comparison between available beds and number of accommodated people indicates that in Sofia municipality, which provides 6.5 per cent of all available beds in the country, there have been accommodated 14.0 per cent of all tourists and this relative share is higher when taking into consideration the foreign tourists – it is 17.1 per cent. The comparison between available beds and number of accommodated people indicates a certain shortage of beds in hotels. The tourists who spent the night in Sofia municipality registered an average of 2.14 beds-per-day per person. This means that the available accommodation is used for business activities. The analysis of the data in

accordance with the listed indicators that characterise tourism in Sofia municipality during the period 1998-2003 indicates a tendency towards increase of the means of accommodation (from 27 in 1998 to 62 in 2003) as well as of the number of nights spent from 656 thousand in 1998 to 976 thousand in 2003.

Data show that in 2003 the accommodations of foreigners were more than those of Bulgarians while in 1998 it was the other way round.

Apart from the city of Sofia itself, other tourist centres in Sofia municipality are *the town of Bankya* and *Pancharevo*.

Even a passing *evaluation* of development plans and intentions since the late 1990s reveals that urban planners continue to think in terms, traditional for the second half of the 20th century. Such an approach places excessive emphasis on 'hard development' factors and continues to conceptualise the urban dwellers in the classic modern categories. Sofianites are seen as people who are what they work, where they live and what they do on the week-end. There is an obvious failure to internalise the thinking in terms of 'the creative class' that is supposed to bring in the high-value activities connected with the 'knowledge economy'.

Planners seem to be convinced that people work either industrial, or administrative jobs, come home at the end of the working day and take walks in the park during the week-end. The idea that modern urban dwellers of the creative kind define themselves above all in terms of the lifestyles they choose to lead – and require a city capable of satisfying the demands arising out of the chosen lifestyles – is foreign to urbanisation thinkers. Their ideal type of urban dweller is the 20th century producer of low value, rather than the vastly more complicated creative type of the 21st century, playfully producing high value in new professions. For this reason, urban planning does not at all focus on 'creative class' themes such as: ethnic and cultural diversity; water-related leisure; various kinds and grades of green areas; creative housing and so forth.

The unprecedented professional, mental, cultural and geographic mobility of the creative class – defined by the Sofia team LOPs as 'individuals who lead more than one life at the same time, and tend to be existing in more than one place concurrently' – is also something which figures only incidentally in urban planning. At the very basic, this kind of mobility requires a more dispersed and diverse city, linked with an efficient transportation infrastructure, and providing the opportunity for painless and rapid exit to, and entry from the rest of the country and the world. Whereas isolated elements of this approach do exist in the planners' minds, they have not conceptualised such elements as necessary components of a coherent system to deliver to creative people the conditions that they require, in order to follow their chosen lifestyle and thereby – produce more high value in their work.

5.5 Creative Industries

The creative industries in Sofia comprise a large variety of fields, industrialised such as advertising and marketing, broadcasting, film industries, Internet and mobile content industry, music industries, print and electronic publishing, and video and computer games, to the traditional fields of visual arts, performing arts, museums and library services. This sector is increasingly important from the economic point of view representing already a leading area of the economy Sofia, as Bulgarian capital, with significant values of annual growth rates. Also, the creative sector could bring a significant contribution to the knowledge-based economy as

it is knowledge and labour intensive and fosters innovation, with a huge potential for generation of employment and export expansion.

But Sofia needs constant feedback from its citizens.

The key requirements for our success include the following:

- New ways of talking. Different people and powers must talk to each other in different ways, breaking down the normal debating routes and networks to allow a more open system which forces those with different skills and disciplines to talk and listen to each other.

- New ways of mapping. New forms of local research and monitoring are needed to define local aspirations, desires, actual and potential problems and trends.

- New ways of describing things. Descriptions of problems, solutions and ambitions may make more sense if the old vocabulary is cleared away and less jargon used. The language of traditional geography is often inadequate to identify resources such as atmosphere, the quality of public and social life, cultural vibrancy and other characteristics of the 'soft infrastructure' of places.

- New forms of research and development. Private sector businesses would die very quickly without an active research and development budget. Sofia city government should encourage experimental and pilot projects. Failure should be tolerated, and analysed in a critical but constructive way.

- New selection processes. These must be put in place to select, exploit and evaluate ideas for the future of the town. Making these ideas public at some stage is vital. This could happen in the same way as ideas and projects for new buildings and public spaces are made public through exhibitions following architectural and design competitions.

- Removal of obstacles. The various structures and bureaucracies which prevent or discourage creative thinking should be dismantled or at least neutralised.

- Orchestration. The tempo and style of pulling ideas and actions together is not that of a perfectly rehearsed symphony, but more like that of a jazz jam session. Innovation and improvisation are all-important to the creative result in Sofia.

- Sense of direction. There must be a strategy which provides impetus and encouragement, but leaves the city space to develop naturally as well.

- Monitoring. Different forms of monitoring must be put in place to check on progress and enable cities to share and learn from their experiences.

Situations may be different, but there is no reason for Sofia to have to reinvent the wheel.

6. Analysis of policy applied over the past decade aiming at improving competitiveness

6.1. Sofia region

Sofia region is located in the Sofia field and is with altitude of about 550 metres above sea-level and a territory of 1342 square km, of which the populated areas and urbanised zones are 297 square km, agricultural lands - 493 square km, forests – 478 square km, ore and mineral extraction zones – 12 square km, transport and infrastructure territories - 33 square km and water basins and streams – about 29 square km. landscape is diverse and climate is comparatively soft.

In terms of territorial dimensions the region of Sofia is identical with Sofia municipality (SM). The city network consists of 38 city, of which four towns – Sofia, Bankya, Novi Iskar and Buhovo.

There is a certain sense of inevitability about Sofia's rapid transformation from a dreary industrial capital of a socialist state into a recognizably modern metropolis. As the transition from socialism began in the early 1990s, Sofia was the centre of the nation's political, administrative, financial, industrial, transportation, social and cultural life. As other cities went into steep decline, following the disintegration of the artificial, Soviet-style economy, their most dynamic inhabitants inevitably flocked to Sofia in search for a living, in this way supplying the city with the nation's most daring, enterprising, mobile and creative labour force. Inevitably, this influx dynamised the city, as the (predominantly young) newcomers began sustaining their desired lifestyle, which stood in contrast with the drab and stifling semi-officialdom of the capital during the previous decades.

In this sense, more striking research challenges would be provided by cities such as Plovdiv which, following a steep decline and bereft of significant resources in terms of 'hard factors' or even tourist potential, nevertheless by 2006-7 were on their way to recovery almost solely through leisure and culture.

The capital city of Sofia plays an important role in the task of turning the region into the best socially, economically and infrastructurally developed administrative and territorial unit in Bulgaria. This statement is also supported by the summarised parameters of the regional social and economic structure:

- In 2002 the highest GDP in Bulgaria was realised on the territory of Sofia region - 9 429 million lev or 29.1 per cent of the total national GDP. GDR per capita in the region (acc. to current prices) was 7 938 lev, while the average for the whole country was 4109 lev. According to this indicator the region of Sofia occupies first place among the other 27 regions in the country;

- The sector structure of the social and economic complex of Sofia region indicates that its tertiary sector has leading functions (70 per cent of the total produced GDP – 6,577 million lev – and 71.3 per cent of employed people). Industry used to have stronger positions in the past and is now undergoing a process of serious restructuring;

- The managerial and other servicing functions of the city of Sofia are an important factor for the development of a significant tertiary sector. What is specific about it is the high number of representative bodies of the legislative, executive and judicial power as well as of the credit, financial and business sectors and others;

- The average annual salary in the region is quite high – 3,888 lev, when the average annual salary for the whole country is 3,091 lev. Sofia region is the leading one among the rest of regions also with respect to this indicator;

The region is among the most attractive for foreign investments. Until 2002 there were invested foreign capitals at the amount of 1 975 542 thousand USD, which is 56.0 per cent of all foreign investments in Bulgaria

The region and its centre – the capital city of Sofia – have traditions in the sphere of university education. Almost half of graduate schools in the country are located here (19 of a total of 42 universities with 42 per cent of all students in Bulgaria). The city of Sofia is the biggest university centre in the country with a university in almost all spheres of education and science;

- Sofia is also the biggest scientific centre in the country with numerous scientific institutions, research units and laboratories in the spheres of the academic fundamental science, applied scientific research and others. Towards 2001 there were about 7300 people working in the sphere of scientific research in the institutes of the Bulgarian Academy of Sciences, the agricultural institutes and the various other institutes for applied research. 2430 of those were research fellows;

- On the territory of Sofia city there is also a large network of cultural institutions, among which: 23 drama theatres; 29 museums; 31 movie theatres, two cinema centres of the Multiplex type (two more such centres are under construction downtown in Sofia), 116 *chitalishta* (cultural centres) and others. Many of these cultural institutions are of national significance, which makes Sofia the biggest cultural centre in the whole country;

- The region has well-developed transport functions. The capital is the biggest and best developed complex transportation centre in the country. Most highways and railway lines start from here – the highways ‘Trakiya’ and ‘Hemus’, the first-class roads 80, 871,

79 and others, as well as the railway lines Sofia – Burgas, Sofia – Varna, Sofia – Kulata, Sofia – Vidin, Sofia – Kalotina, Sofia – Svilengrad. The biggest international airport in the country provides air-transport services.

The region of Sofia is a unique crossroads of four international transport destinations – the Intercontinental Diagonal Highway ‘Northwest – Southeast’ (London – Budapest – Sofia – Istanbul – Calcutta), the Meridian Euro-African Highway (Helsinki – Moscow – Sofia – Thessalonica – Cairo), the Diagonal Euro-African Highway (Tunis – Duress – Sofia – Bucharest – Odessa - Omsk) and the currently constructed transportation corridor along the 40th parallel from the Caspian Sea to the Adriatic Sea (Potty – Varna – Sofia – Skopje - Duress).

Due to its strong economic impact and a huge demographic mass the region of Sofia and its centre – the city of Sofia – has a much bigger significance than any other region or large town in Bulgaria. The impact of the city of Sofia and the region of Sofia includes both a zone of direct impact on eight neighbouring municipalities within Sofia region as well as an impact over the whole territory of the South-western planning region.

6.2. Future Development

The city of Sofia will continue to play the role of an economic centre of Bulgaria. It is necessary that the city uses the opportunities for localisation of activities at a subsequent stage in view of the necessity for making more environmental-friendly the economic structure and

the development of productions that have a higher added value. The implementation of such a policy depends on the regional and municipal local authorities, which need to propose a strategy and accompanying measures for an adequate and novel structural development.

The industrial function of the region and city of Sofia requires a larger scope and the building up of a modern industrial structure that will be the core of all the other components (highly intellectual labour, powerful and diverse infrastructure, export and import).

The main prerequisites that need to be taken into account when planning the development and territorial localisation of industry in Sofia city are related to the avoidance of productions that pollute the environment. In this respect, the municipal authorities have the most important role.

The specific decisions for restructuring of production and building of new enterprises should be based on market interests. In this respect, it is necessary to develop new market strategies. The rapid evolvement of the private sector should be sought through privatisation and mass construction of new and competitive small and medium enterprises.

Regardless of the changes that have taken place with respect to the potential of city, the city of Sofia will continue to develop as a dominant industrial centre of local, regional and national importance. The existence of not only industrial activities but also of another structural infrastructure in the fields of education, science, market institutions, communications, and so on, is an important precondition for the city to develop as an economic centre of a sub-continental importance on the Balkan Peninsula and South-eastern Europe.

What is also important is the creation and restoration of economic interests outside the central city but also in the small towns and provincial areas as well as the creation of conditions for an internal regeneration process.

The activating of the comparative advantages of the city in local, regional, national and international aspects as well as the stimulation of the specific factors and conditions supporting their economic development would help for the restoring and accelerating the process of economy restructuring. The transition to market economy increases more and more the value of the 'space' factor as well as of the spacious diversity, which can bring about a different dynamics in the development of the separate regions. Space will become an actual factor of development and modelling of spacious structures as well as an active means for controlling the development and protection of the environment.

The development of a well-organised market infrastructure is a stimulus for economic development and increased investment attractiveness of each and every territory.

The restructuring of industry should also include multiplication of industrial activities on the territory of Sofia city, which gravitate around or are being created by the current structure but 'direct' the structural renovation towards the production of high-tech, innovative, European-style and internationalised industries and companies.

Taking into account the new role of the transport-related and geographical location of Sofia city there should be added an impetus to the development of productions that have a higher import-export function.

The established social infrastructure in the region leads us to the conclusion that it has a potential guaranteeing further development of the territory. The current size of this social infrastructure corresponds to the current needs of the population and is to a large extent able to respond to any future demands as it is expected that there will be a certain restructuring of some of its elements as well as a definite improvement of its quality characteristics. In case

the current unfavourable demographic tendencies are preserved, it will not be possible to efficiently use part of the educational infrastructure and it will need to be restructured so that integrates new functions. There is also a restructuring potential in the other elements of the infrastructure – culture and healthcare.

Apart from satisfying the needs of the population in the region, there is also a significant potential for increasing the category of part of the network of Sofia city social infrastructure so that it acquires new national and especially international functions – first of all, important regional functions in South-eastern Europe and the Balkans.

With respect to the residence policy we can say that within the next 20 years Sofia will mostly rely on the currently existing residence estate. The residential districts of prefabricated blocks of flats cannot be taken down but need to be reconstructed and renovated. The city needs a proactive and adequate residential policy in place.

The public sector as represented by the state and the municipalities does not have a clearly formulated residential policy and, respectively, does not implement such a policy. There is no residential legislative framework, nor a relevant subordinate legislation. There have not been established state and municipal institutions to govern the sector and there are no relevant civil structures either. There are no specific economic entities in place that could be responsible for the acquisition of land resources, as well as for their planning and infrastructure so that land resources become attractive for the construction of residential buildings.

There is no efficient management of condominiums, which comprise about 70 per cent of all residential properties.

There are also huge variations of various territorial indicators. The speed with which people settle in villages of one and the same type measured by means of the indicator of a number of square metres village territory per one permanent resident is 610 square metres in the surroundings compared to 1,550 square metres in the active impact zone. In the municipality of Dragoman per 1000 residents there are 505 residences while in the municipality of Gorna Malina - 820 residences.

There are also problems at the level of regional structures:

- Serious territorial disproportions and precarious irregularity in terms of space utilisation of the compact town, the surrounding area and the active impact zone;
- Danger of over-urbanising of certain areas and related degradation of natural environment and of its most important components, respectively;
- Contradiction between attractiveness of certain suburban territories with respect to inhabiting and housing, on the one hand, and their inefficient infrastructure maintenance and difficult access for transport, on the other;
- Critical, and in some cases disastrous economic deterioration and depopulation of some suburban areas.

During the last few years there has been a significant increase of investments activity in the southern part of the ring road (new transportation and warehouse facilities, petrol stations, etc.) as well as in the neighborhoods at the foothills of the Vitosha Mountain where there have been built numerous high-category permanently inhabited villas. This is related to utilisation of agricultural and forest resources and is a threat against the ‘green connections’ of the city with the Vitosha Mountain, which are very important from environmental and spatial point of view. At the same time, these territories’ technical infrastructure has not yet

been completed, which creates additional risks and problems related to their planning and utilisation.

When developing new territories in Sofia over the last few decades the speed of *construction of main communications* have been too slow. There is no synchrony among the urban planning elements. The non-implementation of structurally significant routes is an obstacle to the normal functioning of the city. Most of the streets have not been built with the necessary size and traffic load capacities. Street pavement low quality and the cars parked in the traffic lanes create additional problems for the city traffic. Due to the increasing wear and tear of cars and their expanding usability there is a more and more significant problem with parking.

The overall assessment of the environment ,taking simultaneously into account the impact of all unfavourable factors indicates that most of the population in the region lives in an unhealthy environment.

The environmental tasks that the region needs to solve cover all possible spheres:

- storage and processing of domestic and industrial waste;
- measures against air pollution;
- cleaning of industrial waste waters;
- improving the quality of surface waters;
- improving the acoustic environment;
- solving environmental and urban planning-related problems;
- protection and development of the green system;

The main purpose of the regional development of Sofia region until 2015 is formulated in the *Regional Development Plan*, in force since December 2005, as follows:

Providing opportunities for transforming Sofia region in a steady developing city-region, and economically politically, culturally and scientifically attractive centre with strategic significance for South-eastern *Europe*.

The main goal can be reached by accomplishing the following strategic objectives:

- Maintaining high rates of economic growth in the region and reaching a level of regional development corresponding to one in similar territorial structures (metropolis) in the EU.

- Balanced and steady development for the whole region territory.

- Positioning of Sofia city in the bigger cities poly-centric system in EU as an important centre in the Balkan region, with attractive life and business environment.

The first objective can be described as connected with the development and the stability, based on the increase of the regional economic competition in the framework of the European regions (EU-25). This can be reached via:

- Providing opportunities for fast innovations assimilation;
- Transfer, creating and introducing of new technologies;
- Increasing the educational characteristics and professional organisation of manpower, according to the needs of the contemporary labour market;
- Development and increase of the infrastructure quality, handling the business and the functional systems: habitation, labour and recreation;
- Establishing of modern, complete manufacture and warehouse zones and bodies, business and trade operating centres, etc.;
- Development of modern and ecologically suitable tourist industry, including the sports infrastructure for holding European, world and Olympic games

- Other conditions, influencing the drawing of some investment and business initiatives in all fields of economy. Especially significant in this is the marketing of the city, the effectiveness, and potential of the municipal and state (regional) administration. The maintaining of high economic growth is necessary for reaching of new levels of regional development, with similar territorial structures in the EU. This objective sets a higher development threshold from the average for the EU-25; Sofia region is close to this level and is a force and standard of the regional development of the Republic of Bulgaria and South-west planning region, and sets parameters that have to reach the levels of the economic and regional development, higher than the average of EU-25 and typical for similar territories in the populated areas of EU.

The second objective is connected with the surmounting the weak sides of the regional development of the district, and especially the lack of balance in the development of the main body (Sofia city) and the inland region (the surrounding area).

The achievement of the main and the rest of the strategic objectives can be accomplished by using the surrounding area potential, and creating equivalent to the main body standards of life, services, recreation and business, as the practice shows in situations in similar EU regions.

The balanced development has to go beyond the region's boundaries and to expand over the territory of the Metropolitan agglomeration, as set in the project for regional development in the South-western planning region.

The increased and uncontrollable migration towards the centre of the region can stretch critically Sofia city's resources, which would compromise the accomplishing of a regional development stability.

For overcoming this danger it is necessary to take the following measures:

- Structural development in the North part of the region (as proposed in the New General Urbanisation Plan of Sofia city and Sofia municipality);
- Stimulated development of the buffer manufacture and warehouse zones in the agglomeration territory (east of the Elin Pelin region: Ravno pole and the west one: Kostinbrod, in the Bozhurishte region);
- Construction of secondary service centres, located along the external transport ring (the Ring road).

The accomplishment of these objectives requires a strengthened partnership between the local and regional authorities of the administrative and territorial structures, included in the boundaries of Sofia agglomeration (this is described in the specific objective IV.2. of the regional development project for South-western planning region), as well as forming of a general advisory council.

The balanced development in Sofia region is not local, but a national problem, which needs to be solved through some specialised programmes for purposive influence and partially financed with National operations programme.

the third objective is connected with the complex development of the system made of functional environments: business, habitation, labour, recreation, and service environments.

The positioning of Sofia in the poly-centric system of the big cities in the EU, depends on the environment, transport infrastructure, effectiveness of the administration, life standard of the population, the preservation of the nature and the cultural, and historical heritage.

The 2005 Regional Development Plan further combines the objectives and the steps for the following:

- branches, with a strong local presence, together with the potential for development in perspective;
- zones, where branches, affected badly by the recession and the structural reform are concentrated and face adverse perspectives;
- successful joining of the Balkan, European and international structures.

It is very important for the regional development to achieve a new dynamism of the rural territories. The villages, surrounding the central city, taking a considerable part of the territory of the metropolitan municipality, are also place for social and economic life, organised around the capital city.

6.3. Regional development plan

One of the basic political documents, defining the priorities of the economic development of the capital is the Regional development plan for the Southwest planning region; part of which is also Sofia city, according to the district division in Bulgaria; this plan is developed in accordance with the Regional development Act, ratified by the Parliament of the Republic of Bulgaria in February 2004.

It defines the development objectives and the priorities of the planning region s an element of the country development.

The regional development plan is designed in accordance with the expectations of the National strategy for regional development.

The development project as a programme for realisation, for the Southwest planning region, includes the period 2007 – 2013, when the country will be a full member of the EU and will conform the planning documents with the planning periods of the EU and their financial frameworks. In this way the plan becomes a basis for the development of the National strategy for regional development.

The plan is developed in a period when the Republic of Bulgaria has already finished the negotiations for joining the EU and stepped in a period of fast transformations of organised structures as well as of preparation of documents, regulating the stable and balanced regional development.

The regional development Act, introduces the definition ‘regions for purposeful intervention ‘. These are territories, defined in the boundaries of the municipalities, which have competitive priorities for economic development or have difficulties because of their geographic location and economy specialisation.

Sofia municipality is established as a distinct regions for purposeful intervention, because of its significance of the capital as a national administrative, economic, and cultural centre. It is characterised with high potential for economic growth, drawing of investments, concentration of colleges and scientific, and research institutes, highly educated human resources and developed technical infrastructure.

For strengthening the positions of Sofia city as a leading economic and cultural centre in South-eastern Europe, the Regional Development Plan stands for encouraging and developing the technological business, territorial diffusion of economic activities in the adjacent territories and establishing of technical and business infrastructure and integrated development of Sofia agglomeration.

The significance of Sofia city as a national, economic, administrative, and cultural centre, is taken into account, as well as its place in the ‘European capitals ‘family’; the

existing and potential relations between the capital, the other city centres in the planning region, and the rest of the planning regions.

The main strategic goal, under the Development programme of South-western region, is to achieve a balanced development of Sofia and South west planning region, by growth in the regional economic (which will provide more and better job positions), improving the life standard, preserving the natural, cultural and historical heritage, preserving and restoring the environment.

Strategic objectives

To achieve the main goal the following strategic objectives are defined:

- *Reaching a steady economic growth, by developing competitive diversified regional economy;*

This goal is connected with the stimulation of economic business activities and the drawing of investments, the improving of the business infrastructure, and the human resources development. The achievement of a steady economic growth, through support for competitive economy development is a key factor in the improvement of the life standard of the local communities. Especially important is the understanding of the significance of developing businesses responsible to the environment and the efficient use of natural and man-made resources.

The support of local companies and the attraction of foreign investment are very important for the increase of the regional economy competitive power. In the period after 2007 the Bulgarian companies will face the challenge to operate in a very competitive environment, which will motivate them to invest in the technologies, development of the human resources and assets.

The development of the economic activities, based on the knowledge, encouraging the use of technologies, the development of innovative capacity, support in the cluster development and outsource chains are very important for the regional competitive power.

- *Development of the transport, engineering and technical infrastructure*

The goal is motivated by the considerable inter-regional differences on the level of regions and municipalities, municipal centres and peripheral populated areas in relation to the human resources, the infrastructure development, the access and quality of public services. Investment in the basic infrastructure are main factor in achieving competitive advantage in the regional economy, and increasing the mobility of the population, as well as use of information and communication technologies. The infrastructure development is an important factor for stimulating the economic and business activities, the drawing of foreign investments and the improvement of the life standard of the local communities.

Meanwhile, a very important aspect of the development of infrastructure is the preservation and restoration of the environment as a key element for a sustainable development and an important feature of the life standard. Improvement of the technical characteristics of the republican and regional road network is planned, which provides access to the International transport corridors; as well as improvement of the technical characteristics of the railway network for increasing the safety; modernisation of the passengers and loading facilities, improvement of the servicing infrastructure for increasing of the transit traffic and development of the inter-regional railway transport.

Planned are investments for the rehabilitation of the existing and the construction of a new Water supply and drainage infrastructure, and investments for decrease of the public needs of energy consumption, activities which encourage the use of energy saving

technologies in the private sector and in the households; and stimulation of the construction of facilities for restorative energy resources as geo-thermal energy, energy from the biomass, the wind, sun and water; stimulation of the transfer of technologies and know-how, including public and private partnerships.

In this context it is necessary to develop an integrated model for control over the water resources, air and soil monitoring, which includes the construction of depots and waste stations, and rationalisation of the household waste control; construction of facilities for decontamination of hazardous waste, including dangerous chemical waste, elimination of old contaminations and re-cultivating of the affected areas; introduction of the separate collecting of the household waste and composting for bio-dissoluble waste.

At the moment one, of the main problems of Sofia and Sofia municipality is connected with the construction of waste depots and plants for keeping and processing the household waste.

- *Economic and social rapprochement with the other EU regions and improvement of the social environment quality and the life standard in the populated areas*

The objective is directed towards integrating in the European structures, decrease of the differences in the social and economic development on a regional level and participation in trans-national cooperation networks. The integrated regional development and the pursuing of proactive policy for complex development is connected with securing a quality city environment and stimulating an agglomeration connection between the cities. Particularly important is the location of Sofia city on the territory of the region for the planning and the available unused opportunities for integrated development of the capital and the near administrative regions.

At the same time, the relations between the local city centres and the strengthening of the relations with the adjoining rural area are supported. The investments for improvement of the city environment in the residential districts are significant for the quality of life of the local communities, particularly in the big city centres, where a population concentration and overloading of the environment are fact.

The development of human resources, the development of professional education system, the integration of groups, dropped out of the job market, the social integration of minorities and groups with unequal status, the access to quality educational, health and social services, the preservation of the natural, cultural and historical heritage and participation in cultural activities are the main factors for improvement of the life standard and the charm of Sofia, the region and its populated areas.

6.4. General Urbanisation Plan

The development of General Urbanisation Plan of Sofia city is a key precondition for the integration of the city into the unified European space and its development as a regional centre in the poly-centric structure of the European cities. This sets several fundamental challenges to city planners, which challenges are connected to the functions which the city should re-structure, additionally develop or launch as new initiatives.

On this basis, several fundamental strategic aims have been developed for the city: *functional*, aimed at the restructuring of existing and adoption of new functions of the city; and *urbanisational*, which target the macro-spatial restructuring and development of the city.

The *first* objective is directed towards developing of competitive economic organisation on regional and continental level:

towards connecting Sofia with the European highway infrastructure and transport network and the city's transformation into a crossroads hub;

towards developing and strengthening of the city as regional information and telecommunication centre;

towards further development of the city functions as a national capital and for the development of above national functions until its transformation into a regional administration and business centre.

The development of the city as a regional and European cultural centre is connected with the development of Sofia as a regional scientific, educational and university centre. Together with this, it is necessary also to develop the tourist sector as an independent structural element, based on the city's transformation in a regional, European and tourist destination. The development of Sofia as a regional and European sports centre, as a regional health, recuperation and balneological centre, but also in regional power supplying centre, are one of the main objectives, which will change the character, quality and value of the basic life functions of the city– habitation, labour, recreation as well as the servicing transport and infrastructure functions.

The *second* objective is connected with conditions for effective, balanced and reproductive use of the city's and region's territory resources; it is connected also with the redistribution of the functions between the city and the region for achieving a balanced functional saturation of different components. Consequently, a restructuring of the existing mono-centric city structure into poly-centric one is of the utmost importance.

Last but not least is the necessity to provide a balanced, qualitative and sustainable development, improvement of the living environment, as well as optimal conditions for habitation, labour and recreation of the city and municipality residents.

The main element of the territorial organisation concept of Sofia city in the 21st century is achieving of balance in the development of complex urban territory of Sofia city and its surrounding region, maintenance and organisational development in relation to the city and the environment by limiting the expansion of the territory of Sofia city; defining of five development lines, with an accent over the dominating line: north-west – south-east. A construction of the north development zone is planned, along the existing ring road with localising of new productions and services, and development of towns and villages, located north of the compact city and on the south slopes of Stara Planina (Trebich, Mramor, Mirovyane, Novi Iskar, Svetovrachane, Negovan, Chepintzi, Gnilyane, Podgumer, Voynyagovtzi, Lokorsko, Bogrov, and Krivina) which have the optimal weather conditions.

There are three industrial districts differentiated in the city proper, several sub-regions and separate territorial groups of enterprises. Those well differentiated regions are two– north and south-east. The third industrial region is a network of industrial sub regions and housing residential areas –west industrial and residential district.

A number existing production enterprises in the compact city are incompatible with the sanitation requirements. These productions have to set their activity in compliance with the requirements or to move out of the compact city in stages.

6.5. Territorial structure

The analysis of the territorial structure of the city-proper, together with the ageing and dilapidation of its industrial and physico-geographical environment, leads to the conclusion that the city must set itself the priority of much better use of its underground urbanised space. This involves intensive use of subterranean areas for the needs of transportation, parking, storage and, to a certain extent, industrial production.

From the point of view of the environment, the concept of territorial organisation deals with territory structure on one hand, and functional organisation, on the other. The territory structure is defined by the development of different green areas, forests and wooded areas, protected territories, waters, mineral resources in Sofia city and in Sofia municipality.

These are the main elements of the city and city surrounding green systems as a recreation infrastructure. Preservation and expansion of all public green areas and above all the big city parks is planned. The most significant expansion of the green system in the compact city is the proposal for situating of a new north-east park (217.2 hectares) – very important for this part of Sofia. Also new area types for recreation, called „theme parks’ are put forward, consisting of zones with a different function, with a definite theme and specific requirements towards landscape structure.

The territorial structure of the recreation system is currently defined and formed of seven theme parks:

- Vitoshka park (Vitoshka mountain, Yuzhen park, the Botanical garden, Knyazhevo pine forest, Boyana residence, Vitoshka monasteries and churches);
- balneology and health resort „Zhiva voda’ (Bankya and the municipality, Gorna Banya, the lake Suhodol, Zapaden park, park ‘Ovcha kupel’ and Lyulin mountain);
- water park „Iskar’ (Iskar water reservoir, aqua-park Iskar, the river valley to the gorge, the lake Psarel, countryside Urvich, lake Pancharevo, Iztochen park, Plana and Lozen mountain);
- park „The green memory of Sofia’ (gardens at of the central city part, garden Knyaz Boris, cultural heritage);
- sports park „Studentski’ (Students’ town, park Vartopo);
- historical park „Sofia Sveta gora’ (historical places and monasteries, the south slopes of Stara planina);
- sports and attractions park „Poletoto’ (Dobrosavtzi airport, Bozhurishte hippodrome, mineral sources, Severen park, developed city network).

In this context, the theme parks can be foci for investments depending on the possibilities to organise different types of activities.

With the theme parks, the following is to be accomplished:

- Defining the enclosing mountains and the nature potential of the Metropolitan region, including the agrarian landscape;
- Reconstruction and further development of the existing green areas in the city and the metropolitan region;
- Renovation and development of the existing areas and centres for sport, recreation and attractions;
- Preservation and adaptation of the cultural and historical heritage;
- The effective use of the mineral waters and hydro-thermal resources, and recreation potential of Iskar river, the smaller mountain rivers and the water reservoirs and lakes.
- The green system of Sofia will be settled as a mixed type system, centred on large park structures, coming in radially from the outskirts towards the city centre and

accomplishing a connection with the natural environment of the surrounding mountains – Zapaden park, Yuzhen park, park Vartopo; and the north and north-east rings.

The sports system

The feature that distinguishes the sport system of the capital from the other municipalities in the country are the big sports facilities, which are various in their character and give opportunity for popular development of different sports.

According to the General Urbanisation Plan, the capital has 720 hectares of open-air and 120 hectares of covered area for sport, the total number of the sport sites is 822 (370 open-air, 452 covered). The open-air sports centre consists of 193 mixed sports grounds, 68 tennis courts, 25 football fields, seven stadiums, seven swimming pools etc, and the covered sports centre includes 340 mixed gyms and halls, 48 swimming pools, four shooting grounds, skating rinks etc.

According to the Plan, by 2020 the recreation and sports areas will develop mainly along the along the lines: Sofia-Samokov-Kostenev; Sofia-Bankya and Sofia-Novis Iskar and complete development in direction Vitosha, the Students town, Vartopo park and Poletto park will develop as theme parks with conditions for different sport. According to the pessimistic version of the Plan, the sports facilities have to reach 1,100 hectares of open-air and 190 hectares of covered area, and the more optimistic one – 1,380 hectares of open-air and 220 hectares of covered area.

The sports organisation in Sofia is complicated because of the diverse forms of ownership over the sports centres and the lack of regulations and regulated forms for renting out for managing by the sports clubs.

There is no multi-functional sports hall in Sofia, corresponding to the European requirements, and more than 20 years not even one sports hall has been built by the state or the municipality. There is no developed mechanism for drawing of private investments for sports construction. The bigger part of the sports facilities are not modernised and are used inefficiently. The cases of demolition of sports grounds and rebuilding with another purpose are quite frequent. The state and the municipality have to oppose to these tendencies decisively.

6.6. Pointers to the future

The social, economic and territory development of Sofia plans fast growth rates of within 5-9 per cent, where the official permanent population of Sofia municipality, based on controlled migration, reaches 1.3 mln. residents – which, however, it has already surpassed, revealing how planning tends to get outstripped by developments.

Ideally, the population in the city proper towards 2020 won't be more than 1,150,000 residents; in the city surrounding region 150,000 residents; 150,000 residents in the area of active influence.

The social and economic development of the city surrounding region and the area of active influence determine the urbanising of the municipalities Bozhurishte-Kostinbrod-Slivnitsa and Elin Pelin-Gorna Malina.

Sofia's further development is a function of the fast construction of the pan-European transport and infrastructure corridors, which are currently ill-served by outdated roads. Once the reconstruction of the ring road (under way) and the motorways going west and south-west

are finished, these roads will activate the suburban territories, which will stimulate the activities and functions of the city proper to move out towards the city surrounding region and the area of active influence. This concept confirms the necessity of forming a communication hub close to Sofia airport, which in turn poses the issue of tackling the pollution of Kremikovtzi metal works, the rehabilitation of the surrounding area and its conversion into a contemporary industrial zone without any ecological problems.

In the near future, the city will be structured along the following components and functions:

- High technologies, science, techno-parks and others, in directions: Lozen; Bozhurishte-Kostinbrod; Botevgrad-Pravetz;
- Healthcare, balneology: Bankya; Svoge-Iskretz; Kostenec etc.;
- Recreation, sport, tourism: Vitosha; Bankya; the south slopes of Stara planina; Samokov;
- Trade and business: main bodies and zones along the infrastructural corridors;
- Industry: Kremikovtzi; Elin Pelin; Pernik-Radomir; Pirdop-Zlatitza;
- Food, wine and tobacco industries and manufacturing industry: Novi Iskar; Svoge; Godech; Gorna Malina etc.;
- Cultural and historical: the Sofia Sveta Gora area, mainly the southern slopes of Stara planina, link between the compact city with the cultural and historical boundaries of the city surrounding region, the areas of active influence and the country.

6.7. 'City scenery' in the General Urbanisation Plan

Under the General Urbanisation Plan of Sofia city, the term 'city scenery' is defined as a system of characteristics and parameters of the city environment; determining its perception, assessment, and understanding as a complex specific system of images and communications, in the dynamics of the daily life and constant everyday processes. This specific communication impact of the city has a significant influence over the mentality of the city residents, the life, and the economy. For this reason, urban theory and practice tend towards researching and regulating the qualities of the city scenery.

In term of space and aesthetics Sofia, is definitely a mono-centric city, with the strong architectural dominance of its central part and an almost total absence of architectural impact in the concrete housing estates of the 1970s and 1980s. There are no clearly evident architectural hubs outside of the centre, which impoverishes the urban landscape. There is also no clear architectural pattern to the city's radials.

The separate local compositional structures (or separate composition units, parts of the city) are three basic types: *with natural character*, *'cultivated character'*, and *'urban character'*. The first type includes the areas of the surrounding mountains; the second type includes mainly the 'external' zone of the municipality; the third type includes 'the compact urban territory' of the city proper.

For the logical differentiation of the separate macro structures in Sofia, particularly important is to keep the separating open-air, park and landscape areas. This is a main objective of the general for the city composition of the General Urbanisation Plan of Sofia city. An important characteristic of Sofia is the variety of the different parts, which is significantly historically developed, existing and concentrated on the city. A detailed plan for each part will follow, focusing on the level of differentiation, the characteristics and the

prospects for their maintenance or development, as well as dealing with their negative characteristics.

The volumetric and visual organisation of Sofia is conceptualised along the following characteristics:

The first characteristic of Sofia is its setting in the macro-landscape environment, with strong distinguishing macro-spatial and sky-line characteristics:

- the clearly shaped dominant of Mount Vitosha,
- more generally, a three-part, symmetric sky-line composition of the south, dominated by the three mountains of Lyulin – Vitosha – Lozen mountain);
- the ‘ribbon on the horizon’ silhouette of Stara planina (Balkan mountain) to the north, with the clearly outlined ‘breaking’ of the mountain passes of Petrohan, Iskar and Vitinya.

The mountain passes in the direction Sofia cross either dynamic natural ‘spatial corridors’ (Vladaya, the river valley of Iskar), or high hills (Novi Han), or a combination of the two (Vitinya and Petrohan). This variety will fit completely into the composition of separate city parts. For this purpose, the characteristic views over the scenery are researched and planned to be preserved.

The second characteristic of Sofia is that considerable parts of its territory are located over high terrain and therefore fit well into the natural scenery. These are mainly the southern sub-montane territories, but also the area of Bankya, the villages on the northern highlands of Stara planina and those of Lozen mountain and Plana mountain. This allows construction of context-sensitive volumes, but also imposes some restrictions about the height and size of the buildings.

The third characteristic of Sofia is the presence of a number of original terrain forms in the city proper and the possibility to accentuate them with the new construction – through building or activation of the sights in their direction. First, Lozenetz hill, particularly the western ‘dome’, but also the hilly areas of Konyovitza, Gardova glava, the bend of Vladaya river, the hill Slatina.

The fourth characteristic of Sofia is the belt of housing estates, built in the 1970s and the 1980s, which are large, high-rise and has a specific volumetric, spatial character. From most entry points into the city, these concrete volumes compose the skyline of the city and create the first impression; that’s why it is necessary to look for elements (‘emblems’) that *individualise* their impact.

The fifth characteristic of Sofia is the clearly outlined radial plan of the main trends of spatial development. With the development of the city they receive a new, larger scale and a longer length. At this stage it is important to mark the main composition accents along the radials.

The sixth, particularly important characteristic, is the system of ‘rings’, ‘transverse’ and ‘tangential’ transport corridors, which structure the urban territory. Development projects are needed that a clear planning scheme for this spatial orientation. Particular compositional significance will have the outline ‘ring’, surrounding the central city part. Its complete development will define the outline of the city’s old body. The second city-wide ring has a picturesque, indented track, which links the new housing estates. The third ring is formed by the southern part of the ring road and the new northern one. It is important for these corridors to keep their scenic character.

There is a further proposal for the construction of a new, farther-out 'circular' track, providing a detour of the suburban parts of the municipality and thereby easing pressure on the metropolitan area. This track will give an opportunity for contiguous access to the landscape and historical sights, defined by the urbanised main body.

The seventh, particularly significant characteristic of Sofia is the clear break between the city proper and surrounding open-air areas, and also the considerable territories with low-rise buildings and luxuriant vegetation. To maintain this effect, a scenic reconstruction of parts of a number of streets, boulevards and city thoroughfares is suggested. Although there will be considerable changes in the use of the territory in the future, these characteristic compositional structures must be preserved.

An eighth characteristic of Sofia, which partially consists also in the aforementioned, is the necessity of subordination of the entire volumetric and spatial development of the metropolitan area and its interaction with Vitoshka mountain. This is accomplished via: more open-air, planted with trees and shrubs and oriented towards mountain recreational areas nearer to people's homes; lower and 'smaller in size' buildings; inventarisation and maintenance of the further viewpoints and 'visual corridors' towards the mountain through the city development.

The ninth important characteristic of Sofia is the situation of developed housing districts and villages in the compact city in various micro-landscape conditions and in visual link with different natural sceneries. These features can be used to develop the various districts' individual image, but necessitate also a requirement for low-rise buildings.

Finally, *the tenth important characteristic*, is the prognosis for the developing of several specific in function compounds in the outskirts of the urban territory. Functionally, these are modern business-parks, light industry, scientific and production zones. And these will be compounds with a new, characteristic silhouette, shaping up the approaches to the city. One of these, the Business Park in the district of Mladost 4 is already evolving along such lines.

6.8. Conditions and factors, which will influence the development of Sofia in the period until 2020

General conditions

The future development of Sofia will be influenced by a number of factors and conditions, which to a great extent will slow down or act as a process accelerators in the city, the municipality and the area of active influence.

First are the geo-political and geographic factors, defined by the strategic location of the capital in South-Eastern Europe.

Second is the current redistribution of world markets, funds and investments and the defining place of Eastern and South-Eastern Europe on these markets.

Third is the development of the new technologies and highly technological productions, which are expected to give a very significant reflection in favourable direction of all big cities and in particular of Sofia.

Fourth is Bulgaria's joining the EU in 2007. This fact is assessed as most significant, as it defines a new development prospect for the country.

The demographic factor is very substantial in the future development of the capital, which has a very considerable potential because of its demographic characteristics. Very significant factors are also the transport, and communications.

The positioning of Sofia in the European and world network of big cities is another factor with particular significance. The investment interest and activity depend to a great extent on the place, which the capital will take in the system of big cities.

The economic development of Bulgaria and in particular of Sofia is directly dependent on the geo-political and political processes, in regards of the country's dependence on foreign financing and investments. It is very important when and to what degree the country will take advantage of the appropriated and regional funds of EU. Good use of the funds will stimulate regional development and investments for infrastructure improvement in the country and transport connections with Rumania and Greece. Some small part of the funds will be directed towards Sofia. The regional differences in the incomes, the employment and investments between Sofia and the country will decrease.

On the other hand, the stability on the Balkans, after Bulgaria and Rumania's accession to NATO and the EU, considerable private investment will be drawn towards the peninsula. It is not clear, what part of them will be allocated to Bulgaria, but in any case Sofia will draw on part of the investments.

Positioning in the world market of funds and investments

The new economic conditions in the world and in Europe are grounds to presume that Sofia has considerable opportunities for development and growth. Its geo-strategic location creates preconditions for attracting investment, functions, activities, corresponding to the challenges the economic globalisation and in the same time to activate the entire economic and social development.

The strong need for new investment in the countries of Central and East Europe has led to competition between the major cities in the region. This applies to Sofia, which is also in competition with the big Balkan cities and capitals Sofia, Bucharest, Belgrade, Skopje, Tirana, Athens, Thessalonica, Istanbul, Varna, Constanta.

Sofia has serious opportunities for attracting investment in the competition with the other neighbouring central and East European cities, provided that it implements the right policies and manages its strategic advantages.

A major advantage is its crossroad location. The anticipated investment activity in the infrastructure field inevitably will draw in financial resources, as well as productions and technologies. The central location of Sofia in the dynamically changing and developing Balkan region, also gives opportunities for taking on considerable regional functions in the economy field, as well as in the social and cultural one.

One of the substantial resource for using all development opportunities of Sofia, is the General Urbanisation Plan. Its implementation will ensure that the capital will take advantage of these opportunities.

Scientific and technical conditions and factors

The development of information and communication technologies provokes the transition from an industrial to information society. The main feature of the development of these technologies is the convergence of transferable environment (media conversion for transfer of voice, data, mail, TV and multimedia) and providing universal service, and of the information

society – the conversion of all fields of economic and social life because of the information as a newly developed.

The new opportunities to work and deliver services from a distance provides the opportunity for the assimilation of a larger territory outside of the city proper. This de-concentration is connected with taking out of the city existing activities, but above all – with situating new activities over new territories. De-concentration and dispersal also increases the freedom of choice of residence. In this sense, a positive factor is the small numbers of population currently living in region around Sofia. The purpose would be not to live in the countryside, but to develop new decentralised housing districts set in the natural environment with minimum physical service, maximum electronic services and equipment with contemporary individualised infrastructure (personal heating systems, local power systems, micro--purifying facilities, kitchens with no waste, local wireless telecom centres).

The crossroad location of Sofia gives it the opportunity to be also a crossroad of merchandise and technologies, not only from the European area, but also from Asia and Africa. This process can be seen in such strong integral fields as electronics, communication and telecommunication equipment and technology, investments mechanical engineering, construction industry etc. Additional influence in this direction has also the transport construction, in East Europe and Russia which will move ahead of the West European rates out of necessity. The participation of Sofia in the transfer of technologies can happen also through interaction with other European regions and the countries of the Balkan peninsula.

Demographic factors

Sofia, with its facilities, trained specialists and convenient transport and communications relations and traditions in some scientific and production fields, can become a technological bridge between West and East.

The technological revolution in the world economy has made possible new localisation strategies of trans-national companies, which is displayed by moving production around different parts of the world. The availability of cheap manpower is not, however, any more the only criteria in investment policies. Capital flows towards countries and cities with good infrastructure, skilled personnel and satisfactory living standards. This means that the skills and qualification of human resources, the qualities of the living environment have increasing economic significance. This fact gives unique opportunities for increase of the role of Sofia's position in the region and in Europe, as the educational and professional structure of the city population is very good. The high rate of economically active persons who have university, college or secondary specialist education (66 per cent) is serious precondition for attracting highly technological productions and technologies.

Positioning in the transport and communications market

The present situation in the world and Europe gives a unique opportunity to Sofia to use its big transport priorities and geo-strategic location as a bridge between three continents – Asia, Europe and Africa. For a long period of time, geopolitical realities didn't permit the use of these advantages, which can now be made use of by pushing ahead with Sofia's plans for rapid development of roads and communication infrastructure generally.

The transport infrastructure is significant for the future development of Bulgaria and the countries of the Balkan region and their relations with Europe and the world.

Three of the trans-European transport corridors are crossing in Sofia:

- corridor 4 – Budapest – Vidin – Sofia – Thessaloniki (Athens);
- corridor 8 - Durres - Skopje – Sofia – Bourgas – Varna;
- corridor 10 – Belgrade – Sofia – Plovdiv - Istanbul.

Especially significant for Sofia is the European transport corridor 8 The Adriatic–Black Sea. It will connect southern Russia and the Caucasus region, and through there Central Asia, with Italy and the southern part of the EU in the possibly shortest and most convenient link. It has the opportunities to develop as a railway, a road, and communication.

Quite significant for the capital is also the development of European corridor 4. Among the defined Euro-corridors of the Pan-European conference in Crete, this one is indicated as an alternative track of the classic transcontinental way London-Istanbul at the Serbia crossing. The corridor Lom (Vidin)–Sofia–Thessalonica can be defined as a part of the East European corridor north-south (Poland–Belarus-Ukraine-Rumania-Bulgaria-Greece) and it has to develop as such. Particularly big is its significance for the connection of the most important inter-European water way – river Danube, with the Mediterranean Sea.

Positioning in the European network of big cities

Regardless of the considerable opportunities of Sofia for its forming as a city centre of European scale, we have to bear in mind that it is in a situation of serious rivalry with its neighbouring big cities.

An especially significant factor for expansion of the positions of the big cities in the continental and world city network are the head-offices and sub-divisions of trans-national firms and companies. They, however, have a number of requirements towards the cities, where they direct such type of investments, such as political stability of the state, fast and responding state and local administration, flexible and attractive taxation and other forms of financial commitment on part of the receiving country.

In the international and regional competition of the European cities in the recent years, success has come to the capitals of the first wave of new EU members Budapest, Prague, Warsaw, Bratislava. Sofia remains behind, in its general development as a contemporary city-capital, but also specifically in attracting foreign investment, in spite of its high rating in a number of European analyses and researches, one example of this being the grade assessment of some capitals and big cities, made in the report ‘Perspectives and strategies for territorial development of the Central European countries, the countries of the Danube and Adriatic region’ (Vision Planet), European commission, 1998 Bonn, Germany.

National conditions and factors

During the whole period of its existence as a capital, Sofia has been the most dynamically developing Bulgarian territory. This fact has its economic, political and social explanation. The particularly important location of Sofia in national and regional plan, bearing in mind its impact over the entire social economic growth of the country, is the reason to be defined as ‘a region of growth’ according to the Regional Development Act. According to the adopted definition for ‘a region of growth’, this is a municipality or a compact group of municipalities, characterised with developed economic and social functions, chosen as a target for special impact, focusing on the available potentials, for accomplishing accelerated and steady growth in nation-wide plan.

The main factors, shaping up the leading position of Sofia in national plan, have to be developed further, focusing on a new in qualitative and quantitative contribution to the national economy and expansion of the regional functions and influence.

Sofia is the administrative, economic, political and cultural, trade and tourist centre of the country. The administrative infrastructure is concentrated here, carrying out functions with international, national, local and city significance and influence in all fields of the social and economic life. The availability of the biggest schools, research institutes, financial services, development of public services field and infrastructure, develop further the administration and intellectual potential of the capital.

These advantages are the basis for future development, together with the increase in importance of 'soft' factors, along the lines set out in Sofia's current development strategies:

- De-concentration and dispersal of housing and jobs outside the core city, in the natural environment of Sofia plain.
- Completion of the green areas and systems in and around the city.
- Completion of recreational strategies, linked to the natural environment, and the development of further policies for recreational use of the severely under-used surface water resources.
- Concentration of investment policies on hi-tech, environmentally friendly creative industries; completion of the 'business zones' currently under development.
- Continuing the strategic re-thinking of the recreational role of the three-mountain belt of Vitosha, Lyulin and Plana.
- Implementation of policies to tackle the pollution created by the Kremikovtsi metal works and rehabilitation of its surrounding territory, together with work on the future transport hub linking, in that area, road, rail and air links.
- Determined and resolute progress of road construction and other transportation links, specifically catering to the requirements of the 'creative class' for mobility to a degree unprecedented in the 20th century.
- More determined policies are needed in the direction of using Sofia's cultural heritage and sights as a setting for the varied, multi-cultural and profiled tastes in lifestyle that characterise the creative people attracted to Sofia.

Every citizen has something precious and important to offer our city, our community and our economy. Great ideas for Sofia don't respect ethnic origin, religious preference, sexual orientation or economic circumstance. If state or local power restrict opportunity and access to resources to certain people because of some pre-conceived prejudice, then we risk losing the ideas and creations those people might generate.

If the creativity is the 'driving force in economic growth' and that a new creative class' has become the dominant class in the society we must find more ways to overcome understanding that most members of this class don't see themselves as part of it. More citizens in Sofia need to develop their class consciousness. The main mechanism for this is the tendency of creative people of different sorts to move to Sofia with particular characteristics, particularly technology, talent and tolerance. Sofia is the place most likely to see a real 'creative community' grow with many promised economic and social benefits.

Sofia must develop a wide variety of fields of cultural production, visual and performing arts, television, film, music, print. Key to this development is the location of production: whether talented producers are employed within firms or creative work is contracted with outside agencies.

If there are the relationship between intellectual capital and intellectual property, economies dependent on creative workers must provide sufficient levels of material well-being to those workers, and he points to an emerging stratification between workers in Sofia with and without access to knowledge and information.

Information technology in Sofia must transform work from physical production to knowledge production.

Firms and organisations in Sofia are in desperate need of creative people, yet schools and universities are very good at hammering creativity out of people. We can provide short-term and longer-term ideas for what might be done to change this situation, from both an individual and an institutional point of view.

Because the knowledge is the primary source of productivity, she penetrating all products and signalling employability. Sofia workers must therefore creatively combine their skills in order to compete. In this plan the educational system needs to teach creative processes of applying knowledge and skills in innovative ways.

Sofia urban policy and the management and delivery of urban services, in short, should be infused with an understanding of the fine grain of the creative contents and of the cultural resources of the city. By drawing inspiration from the marvellous and ever changing detail of local culture, Sofia urban policy-makers should be better able to counteract the negative effects of europeisation and globalisation.

The organisation of the creative industries in Sofia takes various forms varying from one industry to another. In classic economic circles, the road from the creation to production, distribution, consumption and conservation of creative goods meets individual and social actors with different roles in different creative realms. However, a distinction can be made between the profit-making and the non-profit sectors of the Sofia industry.

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