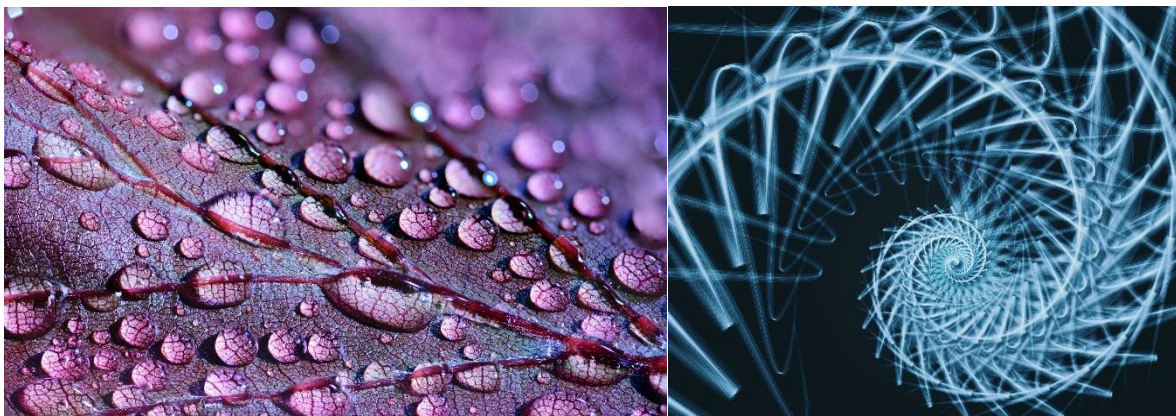


**JBM**

Research and Innovate

**JOURNAL  
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BIO-BASED MARKETING**



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**VOL.1, 2024**

# The Journal of Bio based Marketing<sup>©</sup>

## Research and innovate

The Journal of Bio based Marketing (JBM) provides a forum for academics, researchers, entrepreneurs, young experts, professionals, educators to analyze global aspects of bio-based marketing as a theoretical idea and real business model in value chain of bio-based products. Covering all aspects of knowledge regulation and order including organizational issues, technology support, knowledge representation, transfer of knowledge and knowledge valorization. JBM focus on the following topics:

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## INTERACTION BETWEEN LEADERSHIP STYLE AND STAFF MOTIVATION AS A SOURCE OF CONFLICT IN WINERIES OF BULGARIA

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### ABSTRACT

The main thesis of the research defended is that the occurrence of conflicts in wine-growing enterprises is inevitable, which requires the strategic management of these conflicts by studying and controlling the main sources of conflicts. The main sources of conflicts in the wine-growing enterprises are the motivation of the staff, the ethics and morals of the company employees, the style of management, the limitation of resources, the effectiveness of communications, water organizational form, the group dynamics of the teams, the system of stimulating the staff and the system of control in the enterprise. The purpose of the article is to investigate the interaction between leadership style and staff motivation as a source of conflict in winemaking enterprises. The purpose of the chosen methodical approach is to collect information about the sources of conflicts in wine-growing enterprises, through logical synthesis and analysis to reveal the objective factors that affect the process of conflict management and to present a model for analysis and prevention of the conflicts in this type of business organizations.

**KEYWORDS:** leadership, staff motivation, conflicts, management

### ABSTRAKT

Die Hauptthese der verteidigten Forschung ist, dass das Auftreten von Konflikten in Weinbaubetrieben unvermeidlich ist, was ein strategisches Management dieser Konflikte durch die Untersuchung und Kontrolle der wichtigsten Konfliktquellen erfordert. Die Hauptkonfliktquellen in den Weinbaubetrieben sind die Motivation des Personals, die Ethik und Moral der Mitarbeiter des Unternehmens, der Führungsstil, die Begrenzung der Ressourcen, die Effektivität der Kommunikation, die Organisationsform des Wassers, die Gruppendynamik der Teams, das System der Stimulierung des Personals und das System der Kontrolle im Unternehmen. Ziel des Artikels ist es, die Wechselwirkung zwischen Führungsstil und Mitarbeitermotivation als Quelle von Konflikten in Weinbaubetrieben zu untersuchen. Der gewählte methodische Ansatz zielt darauf ab, Informationen über die Konfliktquellen in Weinbaubetrieben zu sammeln, durch logische Synthese und Analyse die objektiven Faktoren aufzuzeigen, die den Prozess des Konfliktmanagements beeinflussen, und ein Modell für die Analyse und Vorbeugung von Konflikten in dieser Art von Unternehmensorganisationen zu präsentieren.

**STICHWORTE:** Führung, Mitarbeitermotivation, Konflikte, Management

## RÉSUMÉ

La thèse principale de la recherche défendue est que l'apparition de conflits dans les entreprises viticoles est inévitable, ce qui nécessite une gestion stratégique de ces conflits par l'étude et le contrôle des principales sources de conflits. Les principales sources de conflits dans les entreprises viticoles sont la motivation du personnel, l'éthique et la morale des employés de l'entreprise, le style de management, la limitation des ressources, l'efficacité des communications, la forme organisationnelle de l'eau, la dynamique de groupe des équipes, le système de stimulation du personnel et le système de contrôle dans l'entreprise. L'objectif de l'article est d'étudier l'interaction entre le style de leadership et la motivation du personnel en tant que source de conflit dans les entreprises viticoles. Le but de l'approche méthodique choisie est de collecter des informations sur les sources de conflits dans les entreprises viticoles, par le biais d'une synthèse et d'une analyse logiques, de révéler les facteurs objectifs qui affectent le processus de gestion des conflits et de présenter un modèle d'analyse et de prévention des conflits dans ce type d'organisations commerciales.

**MOTS CLÉS:** leadership, motivation du personnel, conflits, gestion

## INTRODUCTION

The viticulture sector as a market structure obeys the principles of the market economy. This forces business organizations in this sector to compete for both resources and customers in the market, which leads to the frequent occurrence of intra-structural conflicts, as well as conflicts between individual business organizations. The inclusion of our country in the Common Wine Market and its full membership contributed to accelerated development of the sector by providing financial assistance within the framework of the Common Agricultural Policy (CAP). There is increasing talk of unequal access to subsidies, which gives rise to a sense of injustice and inequality. This conflictogenic factor has a strong influence on the management of business processes in wine-growing enterprises.

The main thesis of the research defended is that the occurrence of conflicts in wine-growing enterprises is inevitable, which requires the strategic management of these conflicts by studying and controlling the main sources of conflicts. The main sources of conflicts in the wine-growing enterprises are the motivation of the staff, the ethics and morals of the company employees, the style of management, the limitation of resources, the effectiveness of communications, water organizational form, the group dynamics of the teams, the system of stimulating the staff and the system of control in the enterprise.

**The purpose of the article** is to investigate the interaction between leadership style and staff motivation as a source of conflict in winemaking enterprises.

**Methodical approach.** The purpose of the chosen methodical approach is to collect information about the sources of conflicts in wine-growing enterprises, through logical synthesis and analysis to reveal the objective factors that affect the process of conflict management and to present a model for analysis and prevention of the conflicts in this type of business organizations.

Conflict is a complex and complex socio-economic category. This causes difficulties in determining the tools for its evaluation. In the specialized literature, there is no unified opinion on the number and composition of the indicators for determining the factors that are sources of conflict. This stems mainly

from the differences in the opinions of the authors about the nature and direction of impact of these factors on the conflict as a process. A part of the researchers of the problem such as (Thamrin, 2012), (Forbes, 1999), (McCall, 2002) determine that the main factor that is the genesis of the conflict in the business organization is the motivation of the staff. Managers who do not care enough about increasing the motivation of all company employees may find themselves in conflict situations that hinder the effectiveness of management (Behluli, Qerimi, Borisov and Hajdari, 2020). Another source of conflict is the ethics and morals that management professes in the business organization. According to (Hill, 1996), (Javed, 2017), (Khan, 2013), (McCortney, 2003), (Meriec, 2015) this is a critical factor that gives rise to conflicts in business organizations. In business organizations, people with different structures of moral values and ethics collide, which inevitably leads to the appearance of conflicts, a cause of demotivation of the staff as a whole.

According to (Frijns, 2016), motivation is "a function of the leadership style" imposed by managers in business organizations. "With an inadequate leadership style on the part of management, conditions for the emergence of conflict in the business organization may appear" (Lee, 2011). "Managers who are not aware of the situation in the business organization are more likely to find themselves in conflict situations" (McColl-Kennedy, 2002)

Another critical factor that causes conflicts in the business organization is the limitation of resources. "Under these constraints, often individual teams, departments, or company associates compete in accomplishing assigned tasks" (Paais, 2020).

Other researchers of the problem connect the appearance of conflicts in the business organization with the way company employees communicate with each other. "The way of communication and communication networks in business organizations can produce noise that distorts information and thus makes it invalid to the final addressee" (Rosette, 2010). This information distortion can lead to the emergence of conflicts both between individual departments and between individual teams in the business organization. Therefore, in some of the large international companies, "building effective communication channels and networks is one of the priorities for achieving efficiency from human resource management" (Peterson, 2003). This approach seeks to minimize the cases where a conflict may arise based on information distortion.

Another important factor that can systematically "influence the frequency of conflicts in the business organization is the functioning organizational-management structure" (Anderson, 2002). A number of studies prove that the "more complex the structure, the more often there will be prerequisites for the emergence of functional conflicts in the corporation" (Gibson, 2003). In more complex management structures, it is more difficult to observe the principle of single command, which prevents effective delegation of responsibilities and tracking of the "chain of command". Very often, the company employee may find himself in the condition of having tasks delegated to him by different functional managers, which may lead to the appearance of conflicts.

Group dynamics is also indicated as a factor that creates conditions for the emergence of conflicts in the business organization (Borisov & Popova, 2021). According to (Goodstein, 1994), group dynamics covers - group size, composition, group norms - cohesion, consensus, etc., conflict, status, functional roles of collaborators, maturity of teams). These are characteristics that can be conditions for the appearance of conflicts in the business organization.

Other research states that "the system of incentive (motivation) of personnel in the organization can be the cause of the emergence of conflicts" (O'Reilly, 1989). In business organizations where the personnel incentive system is based on the principle of competition between employees, conflicts often occur and managers need to have skills in their management.

One of the important functions of management is control. Without it, the business organization loses its direction of development, managers cannot measure deviations from the set goals for organizational development of the company. "The system of control determines the ability of personnel to 'cheat' and thereby create conditions for conflict in work teams" (O'Reilly, 1989).

## **RESULTS AND DISCUSSION**

**Description of the sample.** The scientific research covers 55 wine-growing enterprises, which were investigated in the field. These enterprises are examined in terms of their legal status, life cycle stage of their market development, available assets and sources of financing.

Of the studied group of enterprises, the share of corporate companies with a legal form - joint stock company prevails - 45.5%. The next preferred legal form is the sole proprietorship, corresponding to 27.3% of all surveyed enterprises. The fewest in number are the enterprises that are in the form of sole proprietorships, respectively, they occupy 3.6% (see figure 1). The structure of the sample shows that the main form of raising capital in the industry is the joint-stock company. This is because starting a wine business requires a large amount of initial capital. All this determines a complex structure of relationships between interested parties in this type of business, which should be subject to the effectiveness of the management of financial capital in these business structures. The combination of such different characters in financial relationships in wine-growing enterprises is one of the prerequisites for the occurrence of a situation of rivalry.

In addition to legal status, the analyzed set of wine-growing enterprises is also structured by the age of the business model (see figure 2). The structure reveals that the majority of the surveyed enterprises have existed on the market for more than 20 years - 69.1% declare this as a fact. Next is the group of enterprises that have been on the market for 10 years - 18.2% of the total respondents declared this circumstance in their business development. Only 3.6% of the surveyed enterprises are 1 year old. This determines that wine-growing enterprises are business structures that have established permanent market positions in the majority of them. Have they been able to consolidate their departments and achieve efficiency "convenient" for their organizational development. Enterprises have had time to differentiate their jobs, levels of specialization as well as departmentalization.



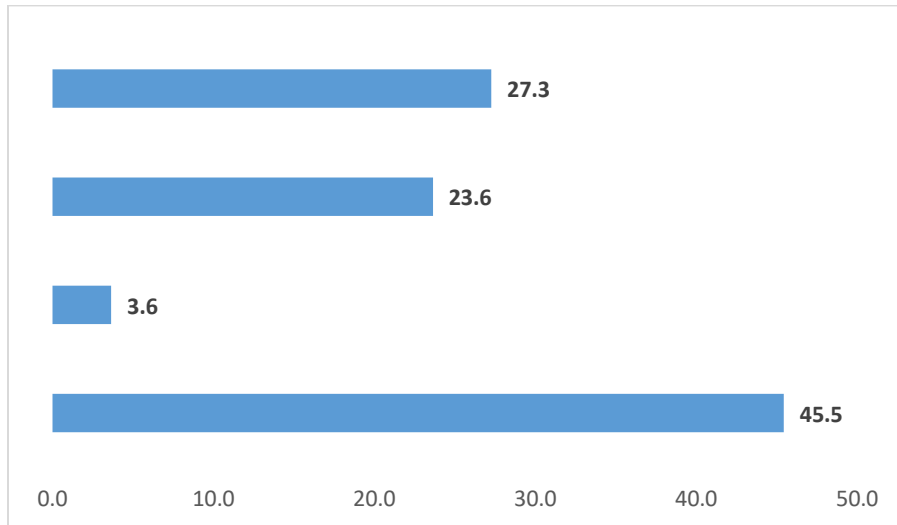


Figure 1. Structure of the investigated wine-growing enterprises according to their legal status (in %).  
Source: Own research among 55 enterprises, 2023.

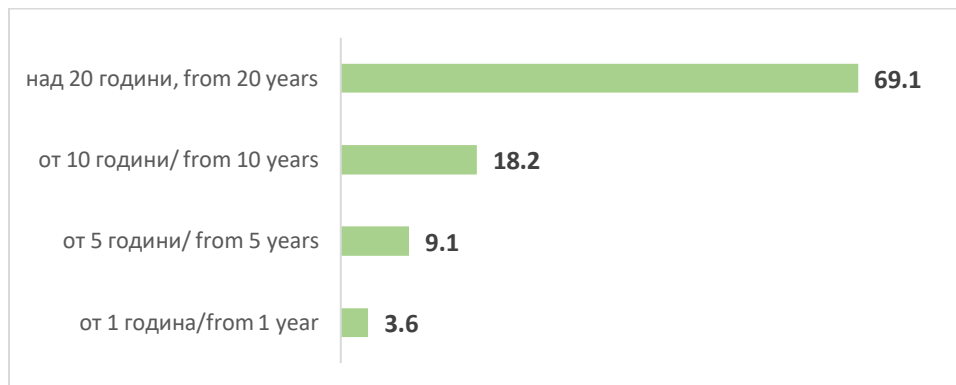


Figure 2. Structure of the studied wineries according to the age of their business model (in %). Source:  
Own research among 55 enterprises, 2023.

One of the prerequisites for better conflict management in the business organization is to have a human resource management specialist involved. From the studied group of 55 enterprises, 63.6% declare that in their organizational structure there is an involved company associate or manager of human resources management. The remaining 36.4% of the enterprises state that they do not have such specialists because they use the services of an external company or this activity is coordinated by another functional specialist in the organization.

**Analysis of staff motivation.** The first building block of the presented analytical model for analyzing the sources of conflicts in wine-growing enterprises is the motivation of the staff. One of the working hypotheses, which is based on this element of the analysis, is that staff motivation can be a source of conflicts in the studied set of enterprises.

The purpose of the survey is to collect information regarding the state of the factors that determine the motivation of the staff in wine-growing enterprises. The data from the conducted survey is presented in

figure 3. According to the data, the salary is the most strongly expressed factor that forms the motivation of workers in the wine-growing enterprises - 25% of the company employees surveyed in total define this as a fact. This is followed by the "conditions for career development", 19% of the total respondents indicated this as the main motivating factor.

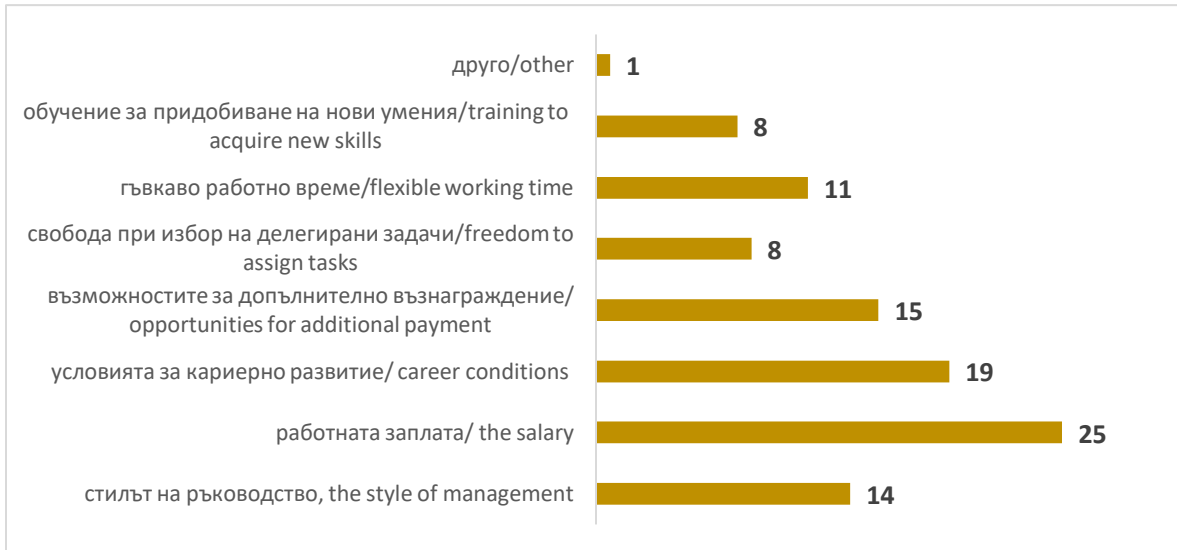


Figure 3. Analysis of the factors motivating the staff in wine-growing enterprises. (data are in %, it is possible to indicate more than one answer to this question in the survey) Source: Own survey among 55 company employees of the surveyed enterprises, 2023.

The possibility of additional remuneration for work in the enterprise is the third most important motivational factor - 15% of the respondents indicate it as such. Besides him, the company employees indicate that the leadership style is also one of the motivating factors in the enterprise, 14% of the total respondents indicated this answer in the survey cards.

More than half of company employees (50.9%) state that their motivation to work in the company is high and they feel safe under the established working conditions in the company until called "good" results (see figure 4). The share of low-motivated employees is not small - 29.1% of respondents feel this way. The remaining 20% define their motivation as medium. The main reasons for low motivation according to these 20% are the following:

- Insufficient payment for work done. This part of the surveyed workers believe that the pay does not correspond to the efforts made by them and the management does not give an adequate assessment of the work done by them;
- Frequent changes in the operational goals and tasks they must follow and accomplish.

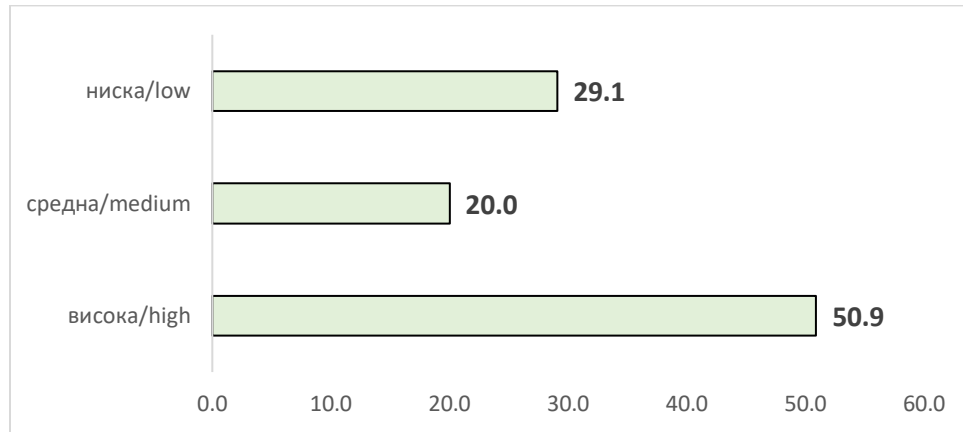


Figure 4. Motivation of workers in viticulture enterprises. Source: Own survey among 55 company employees of the surveyed enterprises, (%), 2023.

One of the factors that determines the levels of motivation in the business organization is the concern for the relationship between the company employee and the other employees in the team. According to the results of the conducted survey - 60% of the respondents indicated that they strive to cooperate with their colleagues and thus achieve company goals. Another 27.3% stated that they strive to compete with their colleagues, considering this behavior to be profitable in the environment in which they find themselves.

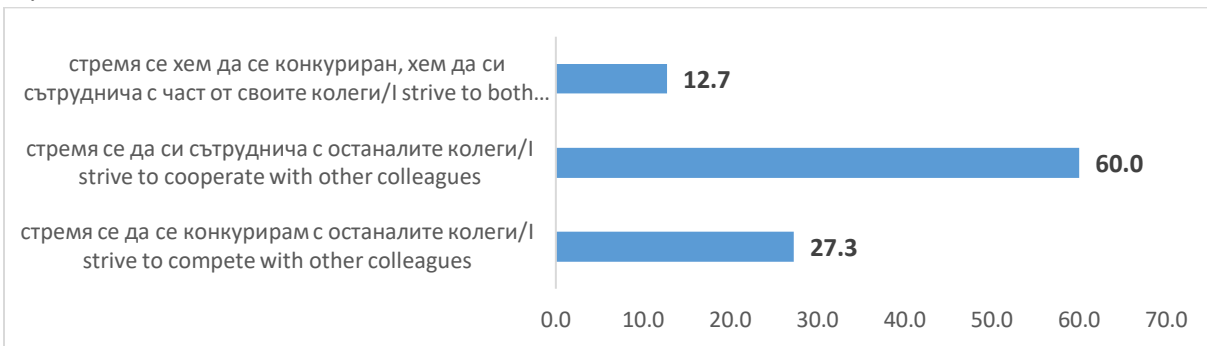


Figure 5. Behavioral strategies of company employees when working as a team. Source: Own survey among 55 company employees of the surveyed enterprises, (%), 2023.

The choice of a certain behavior on the part of the company employee when working in a team is determined to some extent by the way of formation of labor remuneration in the business organization. In a hierarchy of management, in which the achievement of individual results is encouraged, company associates are ready to compete more often, which leads to the appearance of conflicts more often in the organization. That is why the way of forming labor remuneration is included as an element of analysis in the lead study. According to the collected data, 63.6% of the company's employees indicate that their remuneration is determined based on the results obtained from the assigned tasks during the working month (see figure 6).

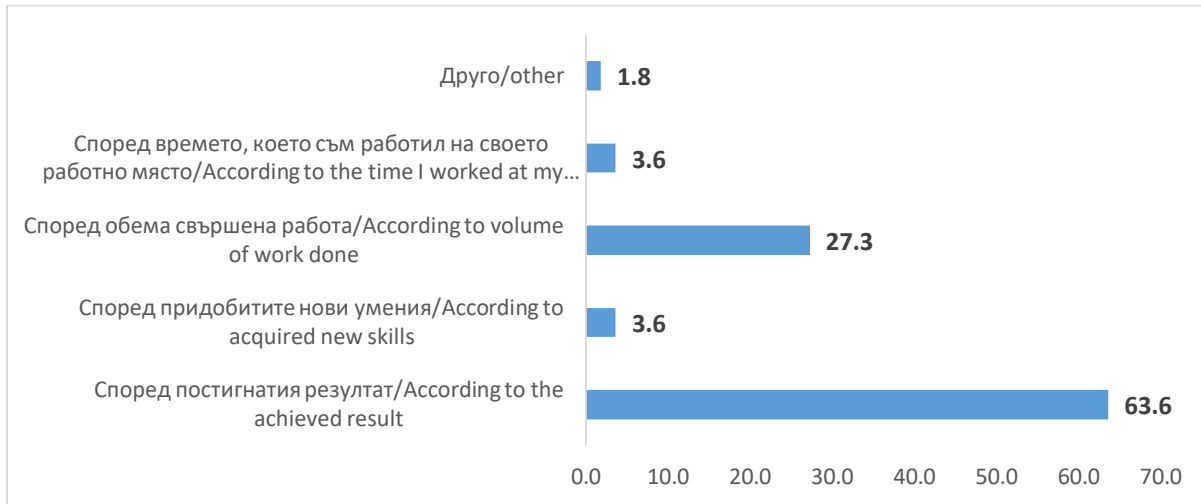


Figure 6. Ways of forming the labor remuneration in the investigated wine-growing enterprises. Source: Own survey among 55 company employees of the surveyed enterprises, (%), 2023.

Another 27.3% of the respondents state that their remuneration is determined by the amount of work done. For each month worked, they receive a different remuneration, which depends on the amount of work done. Standardized working hours are applied in these wine-growing enterprises, in which the labor remuneration is determined based on the labor rate for the volume of work done. Only for 3.6% of the surveyed company employees, the remuneration is determined by what new skills they have acquired in the enterprise, i.e. their remuneration directly depends on the acquired and developed qualification. Another 3.6% declare that the labor remuneration is determined based on the labor rate for time, i.e. of the time spent at the workplace.

More than half of the respondents (50.5%) state that the imposed principle of formation of their remuneration is fair.

Through the conducted personal interviews with the company employees, the following factors resulting from the motivation of the staff were identified, which are sources of conflict:

- Discrepancy of staff expectations regarding remuneration and remuneration received. This, other things being equal, determines a lower motivation to work in the enterprise;
- Competition between individual specialists in the enterprise for resources with which to perform delegated tasks often gives rise to conflicts and negative emotions;
- The leadership style is not adequate to the environment in which company employees and teams develop. The company employees state as a fact that their direct supervisors do not support and/or understand them when they encounter difficulties in performing the delegated tasks.

**Analysis of moral norms.** The divergence in the moral norms of company associates can often be one of the main sources of conflicts in the business organization (Behluli, Qerimi and Borisov, 2019). In 100% of the surveyed wineries, the development strategy is for them to continue operating in the "light" sector. The development vision is subordinated to the idea of occupying a competitive niche through the implementation of competitive strategies that refer to the reaction of the main competitors. Company associates in the majority of the surveyed companies (75%) state that they follow the organization's

mission and work purposefully to achieve it. It is not a small share of the respondents who state that they often have to show opportunistic behavior in their work with their colleagues and direct supervisors - 33.3% of the respondents state this as a fact. The main factor that affects the moral standard of the company employee and the team as a whole is the group dynamics - 85.5% of respondents declare that they comply with the group norm and are afraid to differ from it if it is not fair in their opinion. The maturity of teams is another important factor that determines the moral standards of company associates. More than 75% of the respondents state that in the teams in which they work, the roles are clearly defined and they perform them effectively. Of all the respondents, 10% declared that their idea of the way to perform the tasks that the managers had delegated differed from the one imposed by the team. This makes them less motivated to work in that team.

The following conclusions can be summarized regarding the moral norms of company employees in wine-growing enterprises:

- Most of the staff support the management's decisions and systematically follow the organization's mission;
- A good tone is rarely broken and everyone strives to behave professionally when conflicts of various nature arise;
- The moral norms of the company employee are subordinated to the group norm, which also determines the behavior of the individual in the group.

**Analysis of leadership style.** Another factor that has been presented as a potential source of conflict in wineries is the management style. Figure 7 provides information on the leadership styles applied in the studied wineries.

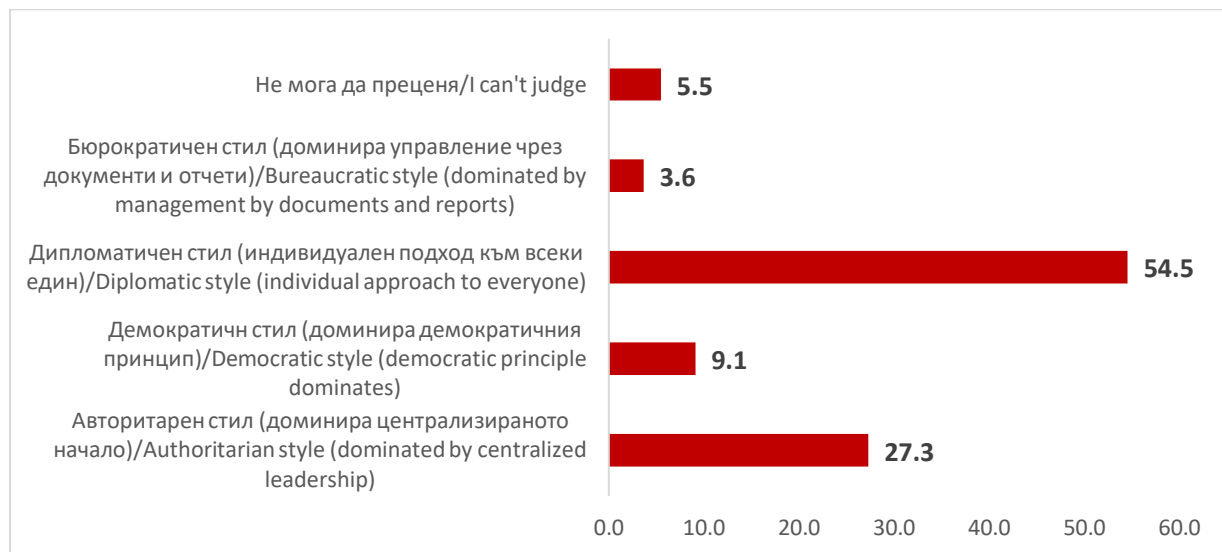


Figure 7. Leadership styles in the studied wineries. Own survey among 55 company associates from the surveyed enterprises, (%), 2023.

The data show that, according to 54.5% of the surveyed company employees, a diplomatic leadership style is required in their enterprises. Next in importance is the authoritarian leadership style - 27.3% of the respondents declare that this style is the leading one in their organizations. Only 9.1% of the

respondents stated that in their enterprises the democratic management style is imposed, in which the company employee has a wide freedom of action in solving problems in his work.

In the next module of questions in the survey card, we seek to identify the main qualities of managers in enforcing their chosen leadership style.

In figure 8 the company employees' assessment of the personal qualities of their direct supervisors is included. The results show that the main quality that company employees value most in their direct supervisors is their ability to be leaders in management - 34.8% of respondents indicated this quality as possessed by their supervisors.



Figure 8. Assessment of the personal qualities of the managers of wine-growing enterprises. Own survey among 55 company associates from the surveyed enterprises, (%), 2023.

Another part of the respondents - 29.5% indicate that responsibility for work is one of the qualities that their direct supervisors possess. In addition to responsibility for the work, the managers in the surveyed enterprises show good manners when working with their subordinates - 17.9% of the surveyed company employees indicate this quality as important in their work with their managers and the latter possess it. Accumulated experience and expertise is also cited as a critical factor in how company associates work with their supervisors. Of all the respondents - 13.4% stated that their direct supervisors possess this quality.

When the literary analysis of the opinion of the researchers was carried out, regarding the main sources of conflicts in the business organization, it became clear that non-compliance with the principle of single leadership can create a conflict situation in the business organization. The choice of leadership style must be guided by this principle. From the conducted survey, it is clear that the majority of managers follow the principle of single leadership, 61.1% of the surveyed company employees declare this as a fact.

33.3% of the surveyed employees state that the management style in their enterprises is not subject to the principle of single leadership. And 5.6% of the respondents state that they cannot determine and do not express a competent opinion.

Another factor that is part of the group of conflictogenic factors is the management of the time for the implementation of the delegated tasks. From the conducted survey, it is clear that the time for the

execution of the tasks that the immediate supervisor has delegated is sufficient - 50% of the surveyed employees have the feeling that the time is moderately specified in terms of duration by their supervisors (see figure 9). Another 30% declare that the time to complete the delegated tasks is sufficient. Only 9.1% of the surveyed company employees state that the time to complete the delegated tasks is extremely insufficient and this leads to problems and conflicts in the work team.

As a result of the conducted personal interviews, the following summaries and conclusions were established regarding the leadership style as a factor causing conflicts in the enterprise:

Non-observance of the principle of single leadership often leads to confusion or to competing tasks assigned by different direct managers, which leads to inefficiency in the work of company employees and the accumulation of negative emotions from the situation being created;

The imposition of an authoritarian management style in a part of the studied enterprises is the cause of ineffective feedback and polarization of the positions of company employees and their direct supervisors, which often requires the former to "trick" in the performance of their daily duties;

Some of the surveyed employees feel tension in the performance of their daily tasks, caused by the short deadlines for the completion of the tasks set by the management.

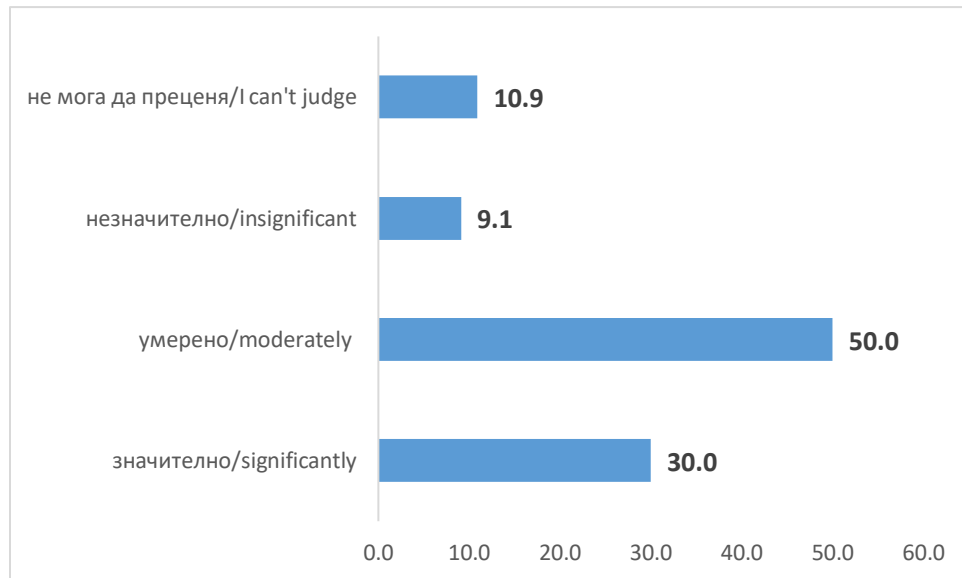


Figure 9. Answers to the question "Is there enough time to complete the assigned tasks"? Own survey among 55 company associates from the surveyed enterprises, (%), 2023

## CONCLUSIONS

Through the conducted surveys and personal interviews with company employees, the following factors have been identified, having a systematic impact on the occurrence of conflicts in wine-growing enterprises:

- When analyzing staff motivation, critical factors for the emergence of conflicts are:  
Insufficient payment for work done. A significant part of the surveyed workers believe that the pay does not correspond to the efforts made by them and the management does not give an adequate assessment of the work done by them;
- Frequent changes in the operational goals and tasks they must follow and accomplish.

Discrepancy of staff expectations regarding remuneration and remuneration received. This, other things being equal, determines a lower motivation to work in the enterprise;

Competition between individual specialists in the enterprise for resources with which to perform delegated tasks often gives rise to conflicts and negative emotions;

- The leadership style is not adequate to the environment in which company employees and teams develop. Company associates state as fact that their direct supervisors do not support them.

The following conclusions can be summarized regarding the moral norms of company employees in wine-growing enterprises:

- The majority of the staff supports the management's decisions and systematically follows the organization's mission;
- A good tone is rarely broken and everyone strives to behave professionally when conflicts of various nature arise;
- The moral norms of the company employee are subordinated to the group norm, which also determines the behavior of the individual in the group.

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## INTEGRATED TERRITORIAL INVESTMENTS AS A FACTOR FOR IMPROVING REGIONAL DEVELOPMENT IN BULGARIA

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### ABSTRACT

This article is devoted to the problems of integrated territorial investments. The present paper attempts to clarify the philosophy of integrated territorial investment, as well as the different aspects and problem areas of the necessity of this approach. An assessment is made of the programmes and ways in which financial instruments can be used to finance municipalities. On the basis of reference to a number of sources and normative documents, an attempt is made to analyse and evaluate the processes and phenomenon taking place. The outlining trends and processes in regional development are examined, which may also have opportunities for improving regional development and increasing the sustainable development of individual territories.

**KEYWORDS:** integrated, regional, changes, development, programs, factors, management, coherence

### ABSTRAKT

Dieser Artikel ist der Problematik der integrierten territorialen Investitionen gewidmet. Es wird versucht, die Philosophie der integrierten territorialen Investitionen sowie die verschiedenen Aspekte und Problembereiche der Notwendigkeit dieses Ansatzes zu klären. Es wird eine Bewertung der Programme und der Art und Weise vorgenommen, in der Finanzinstrumente zur Finanzierung von Gemeinden eingesetzt werden können. Unter Bezugnahme auf eine Reihe von Quellen und normativen Dokumenten wird versucht, die stattfindenden Prozesse und Phänomene zu analysieren und zu bewerten. Es werden die sich abzeichnenden Trends und Prozesse in der regionalen Entwicklung untersucht, die auch Möglichkeiten zur Verbesserung der regionalen Entwicklung und zur Steigerung der nachhaltigen Entwicklung der einzelnen Gebiete bieten können.

**STICHWORTE:** integriert, regional, Veränderungen, Entwicklung, Programme, Faktoren, Management, Kohärenz

### RÉSUMÉ

Cet article est consacré aux problèmes des investissements territoriaux intégrés. Il tente de clarifier la philosophie de l'investissement territorial intégré, ainsi que les différents aspects et problèmes liés à la nécessité de cette approche. Il évalue les programmes et les moyens par lesquels les instruments financiers peuvent être utilisés pour financer les municipalités. Sur la base de références à un certain nombre de sources et de documents normatifs, une tentative est faite pour analyser et évaluer les processus et les phénomènes en cours. Les tendances et les processus qui se dessinent dans le

développement régional sont examinés, ce qui peut également offrir des possibilités d'améliorer le développement régional et d'accroître le développement durable des territoires individuels.

**MOTS-CLÉS:** intégré, régional, changements, développement, programmes, facteurs, gestion, cohérence

## INTRODUCTION

The state of the settlement network and urban development, as well as the process of zoning, mirror the state of regional development and the regional policies and vision for the implementation of EU-wide policies. Many of the conclusions and evaluations of regional development can be represented by the evolution of the processes of zoning and settlement network development mainly by the imposition of the stereotypes of international relations. Thus, in the nearly 150-year history of our country, the problems of spatial planning policy always come to the fore. This process of optimization was most pronounced after the 1960s, when mainly resource-based zoning was developed, incorporating the regional-economic complex approach. In the 2021-2027 programming period, integrated territorial investments are coming to the fore, in addition to the existing instruments. The philosophy of these territorial development investments is more strategic and more complex. That is to say, a project is not expected to begin and end with construction work alone, but with the introduction of innovations, the implementation of part of the European climate objectives and human resource development policies. The types of investments, they can actually be combined - in terms of the sources of funding, and they can be sectoral in terms of what the lead applicant is that proposes the concept. The highest number of points in the scale score are given to concepts that are partnered by a public body, a private entity and an NGO at the same time. This is no coincidence, as these projects are more strategic and have a wider impact than the direct impact of a project implemented by a single beneficiary. Almost 70% of the budget of the flagship programme, Regions in Development, is earmarked for the funding of such concepts, which means that local stakeholders are given the opportunity, I would add a very good opportunity, to flesh out their ideas and vision for development that are embedded in local development strategies. The aim of our article is to provide more pragmatic information on the importance of these investments and to show their relevance for the regional development of the country. What is new in this approach to integrated territorial investments is that the concepts to be developed for the territory of the respective planning region must involve partners from public institutions, the business and non-governmental sectors in order to achieve a truly integrated and synergistic effect. That is, the concepts are expected to include ideas and project proposals in different sectors, with different partners, funded by different programmes. There are some uncertainties in this direction, mainly in the direction of what exactly the concepts should include. At the moment, there are information days organised by the Managing Authority of the Regional Development Programme, in which colleagues are trying to explain exactly how the process of preparing the concepts will go. The municipalities are an important player in this process, as the final approval of the concepts is carried out by the regional development councils, where all the mayors of the respective region are members. It should be stressed here that in the context of the development of market relations, regional development is particularly relevant because its applied value in the new political and market conditions outlines the problems of the regions and sets the horizon for the development of local resources in new conditions. This also determines the functional focus of

regional development, which is intended to frame spatial development towards resource utilisation and spatial planning that create conditions for the sustainable development of local regional communities. This implies that the focus of regional development management should shift towards schemes that are tailored to the contemporary needs of regional policy, especially in terms of its sustainable development and the implementation of integrated territorial investments.

## RESULTS AND DISCUSSION

***Nature of the integrated territorial approach.*** The integrated territorial approach is a locally specific approach aimed at effectively exploiting the potential of each territory through close dialogue and cooperation between institutions working at different levels of government and other stakeholders<sup>1</sup> and actors operating in the territory. The Integrated Territorial Approach in Bulgaria will be implemented through the Integrated Territorial Investment (ITI) instrument on the basis of Integrated Territorial Development Strategies for NUTS 2 planning regions (ITSD), and the types of activities to be supported should be in line with the NUTS 2 ITSD (bottom-up approach). ITSDs have been developed for each of the six Level 2 planning regions, as required by the Regional Development Act (RDA), setting out the medium-term objectives, priorities and prospects for sustainable integrated regional and local development in the territory of the respective planning [The ITSDs of the six Tier 2 planning regions can be found at: <https://www.eufunds.bg/bg/oprd/node/11503>]. An ITI concept is one or more project ideas for one or more activities/investments which, in combination with each other or with other existing or forthcoming investments in a given territory with common characteristics and/or development potentials, serve to implement a specific objective or priority of the ITSD of the relevant Level 2 planning region. A combined ITI concept is an ITI concept for which at least one of the following conditions is met:

a) the concept contains project idea(s) with integrated measures from different sectors (health, social services, culture, education, transport, housing, economy, environment, tourism);

(b) the concept contains a project idea in the preparation and/or implementation of which at least two of the following types of stakeholder are involved in partnership: public body, private body, non-profit legal entity;

(c) the concept contains a project idea implemented in partnership that addresses the needs of more than one municipality;

(d) the concept contains project ideas that are funded by more than one programme co-financed by European funds for shared governance (see section 5 "Mechanism for the implementation of the integrated territorial approach in Bulgaria"). The emerging philosophy of regional policy is linked to attempts to enforce the principles of territorial cohesion, meaning a balanced distribution of human activities across regions. This means creating development centres that are an alternative to the spatial pentagon in Europe (concentrated on 18% of its territory), including countries where half the wealth and 40% of the population of the old continent is. Thus, in Bulgaria, a policy is being adopted at national and regional level that means polycentrism to promote the construction of complementary and independent networks of small cities as an alternative to large cities or capital cities and networks of small and medium-sized cities, which can help to integrate the regions into a common market, functioning in a way that brings out the strengths of individual territorial communities. In practice, the set policies do not find the right expression through the implementation of regional development policies in Bulgaria (Georgiev, 2014). The Decision of the Council of Ministers No. 335 of 7 June 2019, as amended by the Decision of

the Council of Ministers No. 496 of 21 July 2020, provides for each of the programmes co-financed by the European Social Fund+, the European Regional Development Fund and the Cohesion Fund for the programming period 2021-2027, with the exception of the Transport Connectivity Programme, the Food and Basic Material Assistance Programme and the Technical Assistance Programme, to allocate resources amounting to at least 10% of their financial allocation to the implementation of integrated territorial development approaches, i.e. to the ITI instrument. The flagship programme for the implementation of the ITI approach, according to the Implementing Rules of the Regional Development Act (RDA), is the Regional Development Programme 2021-2027. The Regional Development Council (RDC) of each NUTS level 2 region is the territorial authority responsible for the ITSD and will be involved in the selection of measures for funding as required by the Regulation. This participation is carried out through the selection of ITI concepts [2]. The members of the RDS are defined in accordance with Article 18 of the RDA. When adopting decisions relating to the selection of ITI concepts (Article 19(1)(3) of the RDA), some of the observers (according to Article 18(14) of the RDA) have the right to vote, in which case the composition of the RAC is referred to as 'broad-based'. The work of the RDB shall be supported by an expert staff composed of three distinct units with specific functions: the Mediation Unit shall facilitate the formation of partnerships between stakeholders at regional level and coordinate the preparation of concepts for integrated territorial investments; it shall carry out awareness-raising campaigns and information activities to promote the opportunities for the implementation of integrated territorial investments; it shall be responsible for the information strategy of the Regional Development Council in introducing

***Opportunities for project selection evaluation and pre-approval.*** In practice, the new regional policy approach has undergone a complete overhaul in order to minimise existing imbalances. According to expert assessment, similar trends are not only in Bulgaria, but in the whole EU. Europe is experiencing very complex processes in terms of the links between cities and their adjacent territories, ranging from sub-urbanisation to the complete isolation of the least populated areas. This means that different policies must be used to promote partnerships between cities and rural areas that are tailored to the problems of depopulation, integration and access to areas around cities, diversification and support for economic activities in specific areas, by building on their potential and making use of cultural and natural assets. In this direction, the approach needs to highlight the need for effective regional policies that create the conditions for integrated investment in areas, in line with their natural and geographical assets, making use of the links and partnerships that have been built up, and attracting new investment (Grozdanov, 2021). In spatial terms, the current picture in Bulgaria raises more questions about the state of regional development than a clear and distinct differentiation by municipality of the socio-economic status of municipalities (Grozdanov, 2021). Thus, in the evaluation of project proposals, the Public Consultation Unit, which organizes and conducts public consultations and presentations related to the examination and discussion of submitted ITI concepts, will be essential. Through these, the participation of local communities in the selection process is ensured, with the views and comments from the consultations being presented to the broad membership of the RDB, which must take them into account before approving the Overall Programme Concept for the contribution of EU funds to the ITSD. The functions of the public consultation units shall be carried out by the District Information Centres located in the regional cities. The pre-selection unit is composed of representatives of the managing authorities of the

programmes co-financed by the EU shared management funds that are involved in the implementation of the integrated territorial approach through the financing of projects under the ITI instrument. The unit carries out administrative and eligibility screening and prioritisation of ITI concepts in accordance with the criteria set out in the programme. Preparation and submission of ITI concepts - Stakeholders shall develop ITI concepts (alone or in partnership) by completing an application form, in accordance with the content requirements and according to the regulated way of their submission as set out in point 6 "Preparation and submission of Integrated Territorial Investment concepts. An essential element of the work of the programme at the outset is the checking of administrative compliance and eligibility - The checking of administrative compliance and eligibility of all submitted ITI concepts shall start within 8 working days of the expiry of the deadline set out in the Guidelines, in accordance with the provisions of point 2. 3.2 and 3.3 of Annex No 4 to Article 39(4) of the RDPP and the administrative compliance and eligibility criteria set out in point 9 'Selection and prioritisation criteria and methodology' of these Guidelines, by marking 'Yes', 'No' or 'N/A' (not applicable). Only concepts submitted within the application deadline set out in point 10 (Dobrev, 2015) be subject to verification. The procedure for the preparation and selection of ITI concepts and the elaboration and approval by the Regional Development Board of a Joint Programme Concept for the EU Funds contribution to the ITSD of the region concerned shall be completed by the publication of the approved Joint Programme Concept for the EU Funds contribution, together with the accompanying lists of ITI concepts. The procedure shall be completed within 55 working days of the start of the administrative compliance and eligibility check. The approved Overall Programme Concept for the contribution of the EU Funds shall be published on the website of each of the funding programmes and/or on the Single Information Portal and on the EMIS within 5 working days of the completion of the selection procedure (Grozdanov, 2021). Submission and selection of ITI concepts with RDP Priority 1 funding Urban municipalities under Priority 1 (Vidin, Pleven, Ruse, Veliko Tarnovo, Varna, Burgas, Stara Zagora, Plovdiv, Stolichnaya municipality and Blagoevgrad) or stakeholders in their territory may partner with each other or with other municipalities from the same or another region (or stakeholders in their territory) to implement ITI concepts in accordance with the ITSF of the respective Level 2 planning region. This expands the opportunities for stakeholders within the 10 urban municipalities by providing access to resources for the implementation of complementary or soft measures. The prospects for implementing such projects are that they will have a greater impact and scale than if they were to be implemented on their own in a single municipality or within an urban cluster. Project ideas for measures focusing on industrial zones/parks, road infrastructure and sustainable mobility to be implemented only in the territory of an urban municipality covered by Priority 1 and its neighbouring rural municipality shall be financed only with funds from Priority 1 of the RDP and therefore their selection is not subject to these Unified Guidelines. Where such project ideas are included in larger-scale ITI concepts with other types of RDP-funded infrastructure in the rural municipality (outside the listed sectors), they may be included in ITI concepts as project ideas under point i. Where the activities in the ITI concept are to be implemented in more than one region, the procedure under point 5.1 "Preparation and selection of ITI concepts" shall apply. The only difference is that when entering the ITI concept in the application form in the "Location" field of the "Main Data" section, all regions on whose territory the concept will be implemented should be noted, and in the "Implementation Plan/Project Activities" section of the respective programme it should be noted which activity on the territory of which region will be implemented. The RDP is eligible to finance activities

to be implemented on the territory of another country where this is in line with the objectives of the programme. Concepts are considered to be consistent with the objectives of the programme if they are in line with the objectives and priorities of the ITSD of the region to which they are submitted and contribute to addressing the needs of that region or exploiting its potentials. In this case, the application form shall indicate in the 'Implementation Plan/Project Activities' section of the RDP which activity will be implemented where. In the framework of the integrated territorial approach under this procedure, all stakeholders may initiate and submit ITI concepts, subject to the specific eligibility requirements for beneficiaries under individual programmes (where available) described in Section II. The Mediation Unit of the RDB has a leading role in this process. It assists stakeholders by informing them about the possibilities for implementing integrated territorial investments, facilitating the formation of partnerships between stakeholders at regional level and coordinating the preparation of concepts. The partnership principle will be promoted in the selection process and, in this respect, priority will be given to concepts for ITIs whose preparation and implementation involve partners from different sectors - public, non-governmental, private. Participation of target groups through their civil society organisations and associations is recommended. For the purpose of the application, one lead partner is selected to represent the partnership to the respective RDB, coordinate between the partners, facilitate communication between them and be responsible for the overall preparation and submission of the concept. There are no restrictions on the choice of lead partner - this is a decision to be taken by all involved in the ITI partner concept. Each of the partners of the ITI concept has a commitment in the preparation and/or implementation of a specific measure or activity of the concept, and does NOT necessarily have to implement activities requiring financial resources from the programmes. Although encouraged, the participation of partners in ITI concepts is only allowed when clearly linked and justified to the specificity of the activities for which funding is requested under the programmes. For example, an NGO may commit to assist a partner municipality in ensuring that social infrastructure measures comply with the cross-cutting principles of equality, non-discrimination and inclusion by providing its expertise and advice in the preparation and implementation of measures without receiving funding from the programmes to do so (Kostev and Petrov, 2020). Similarly, business representatives can participate in an ITI concept with their own funds for joint investment with a municipality, or private and NGO representatives can get involved by making commitments related to the future use, management or sustainability of the investment.

***Main funding programmes for integrated territorial investments.*** Overall assessment of the need for financial resources and actual funding programmes. The sustainability of the settlement network and the high quality of the environment in the settlements, which can guarantee favourable socio-economic and environmental development, are priority tasks that challenge the integrated policies of regional and territorial development of urban systems among the Bulgarian planning regions. In practice, regional development at the national level macroeconomic, budgetary and monetary reforms have a direct impact on the local economy (Marinov, 2018). National regulatory and legal frameworks such as tax reform, telecommunications deregulation, and environmental standards directly influence the local economic climate by enhancing or diminishing the potential for local economic development. Thus, in the first instance, we can look for financial support from a programme - the Regional Development Programme 2021-2027 (RDP). The Managing Authority (MA) of RDP 2021-2027 is the Directorate General Strategic Planning and Regional Development Programmes in the Ministry of Regional Development and Public

Works. The MA of the flagship programme carries out the overall coordination of the implementation of the ITI approach. This programme aims to promote innovative practices in local government that are linked to improving the quality of service delivery. Thus, in the rapidly changing environment of global markets, customers are more active in seeking the products and services they need. They are much better informed through the Internet and often have a range of alternative choices. With unlimited access to information and suppliers, and comparing the options on offer is routine. Good customer service is synonymous with quality and the need for innovation. Quality is synonymous with good work. Of a product with valuable consumer properties. Of professionalism. Therefore, quality and its management is perceived as an important area for business. The first thing people think of when it comes to quality is product quality (Paquet, 2001). This perception of quality is as a sign and indicator of a high standard. That is, quality is thought of as a characteristic of the product that an organization delivers to its customer. Customer requirements concern something that can be seen, touched, felt and relates to the product or service intended for them. The concept of quality has evolved over the years, expanding its objectivity and changing its orientations, starting from the pure control or inspection of the final product until it becomes a global strategic entity for the organization. The most complete information on quality and its management is contained in the standards of the International Organization for Standardization (ISO). It defines quality as 'the extent to which a set of intrinsic characteristics satisfy requirements'. According to another definition in the standard, quality is defined as "... the coordinated activities for the direction and control of an organisation with respect to quality". This includes "...establishing quality policy and quality objectives, quality planning, quality management, quality assurance and quality improvement". Therefore, quality management is the unity of all the quality objectives related to the product and the organization, all the activities and processes necessary to fulfill them (Territorial Agenda of the European Union 2020 - Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions). A look back in history makes it possible to trace the development of the concept of quality. The second half of the 20th century and especially the 1980s was a period of revolution in quality. Thus, other programmes are the Research, Innovation and Digitalisation for Smart Transformation Programme 2021-2027 (RIDIT) with the MA Directorate General European Competitiveness Funds in the Ministry of Innovation and Growth. As well as the Competitiveness and Innovation in Enterprises Programme 2021-2027 (CIP) with the MA Directorate General European Competitiveness Funds in the Ministry of Innovation and Growth; Education Programme 2021-2027 (EP) with the MA Executive Agency Education Programme. Through these programmes, more added value is certainly being sought at regional level. This is because the earliest and probably most common approach to quality assurance is the value-added approach and new programming. Until recently, the industry was still dominated by quality inspection, which was applied at certain points in the production cycle and on the final product, the output of production. This approach relies on finding defects in a good or service before it reaches the consumer by introducing inspection stages. To this end, specifications are developed for what the product should be and subsequently a check is made to ensure that the standard for that product has been met once it has been manufactured. However, in innovation this approach focuses on noting improvements and added value (Hristov and Daskalova, 2011 ). In the second phase (buyer's market), the Acceptable Quality Level (AQL) is used to assess the quality level. It is calculated by the acceptable number of defects per a certain number of units of production. During this period, the need to develop quality assurance methods for the customer



increased strongly. In the 'competitive market' phase, the dominant view is that every employee and process in the product chain directly or indirectly influences quality. Each of them must therefore be covered in quality assurance actions. This means that we need strong and competitive regional development. In spatial terms and for improving human capital, the Environment Programme 2021-2027 (EPP) with the MA Directorate General "Operational Programme Environment" in the Ministry of Environment and Water and the Human Resources Development Programme 2021-2027 (HRDP) with the MA Directorate General "European Funds, International Programmes and Projects" in the Ministry of Labour and Social Policy are also relevant. Ensuring innovations and their implementation is a task to take into account the experience of quality checks and quality analyses, as well as information from the placement departments. Further, the demands of the constructive and production preparation departments must be coordinated. The accumulated global experience allows us to look at innovation issues in our local administration in a different way.

**Resource management and public good creation opportunities.** The municipality must identify, secure and provide the necessary resources to implement, maintain and continuously improve the quality of governance, and to enhance citizen satisfaction. The municipal administration must determine the necessary competence of civil servants performing activities that have an impact on quality, provide training and evaluate its results, keep records of related training, experience, etc (Kolev, 2023). Municipalities must plan and develop the processes necessary to create and improve administrative services. Service requirements should be defined, efficient means of information exchange with citizens who appear as users of these services should be put in place. Design and development must be planned and managed, input and output elements must be defined, followed by review, verification, validation and, if necessary, amendment. The municipal administration must ensure that the purchased service or product is consistent with the defined purchasing requirements. Vendor evaluation and selection shall be performed. Verification of the purchased service is required to ensure that it meets the specified purchasing requirements. Methods for obtaining and using customer satisfaction rate information are determined. The municipality should conduct internal audits at scheduled intervals. Processes need to be monitored and measured to demonstrate their ability to achieve planned results. Monitoring and measurement of the service should be carried out to verify that the requirements for the service are being met. Municipalities in Europe and Bulgaria need to ensure that non-compliant service is identified and managed in a way that prevents its inadvertent use or delivery. "Integrated Urban Development" of the RDP is targeted entirely at the ten largest urban municipalities in the country, as follows. In this respect, the implementation of Priority 1 of the RDP is the subject of separate guidelines outside the scope of the integrated territorial approach described in these Guidelines. However, the participation of urban municipalities within the territorial scope of Priority 1 in the ITI approach will be encouraged. All other municipalities within the country (rural and urban) are eligible for funding under Priority 2 of the RDP, with some exceptions for rural municipalities as described below. All eligible activities under Priority 2 of the RDP are eligible for funding in the 40 medium-sized and smaller urban municipalities. In order to ensure demarcation with measures financed with Common Agricultural Policy funds, infrastructure measures that can be financed through the Strategic Agriculture and Rural Development Plan 2023-2027 (SARDP) should not receive RDP funding. In this respect and in order to strengthen urban-rural links and the development of functional zones in the territory of rural municipalities, only measures for: health

infrastructure, energy efficiency and sustainable renovation of housing, development of industrial zones/parks, tourism, sustainable mobility will be financed under the RDP, subject to a clearly justified need and the integrated nature of the investment, Roads of the national road network outside the TEN-T network subject to a proven effect on the territory of the region as a whole.

### CONCLUSION

Increasing the quality of services in the municipal administration through the funds and European funding often leads to the realization of not only economic, but also social effects (easing of work, improvement of working conditions, etc.), which should also be taken into account when assessing the effectiveness. The subjective factor and, above all, the quality of work and the availability of funding have a decisive role to play in improving quality. The role of the human factor in improving quality can best be traced to the different phases of the reproduction process: the design, production and operation phases. The quality of municipal administration and its service is shaped in the design and production phase and depends largely on the quality of the project. The situation to which the use of the tools has been applied required very detailed analysis and decision making in order to improve the quality of the service, because the evaluations and comments of the end clients indicate a shortfall in the skills of the municipality's employees. It is very important to achieve the quality they expect, but also to exceed it, working on competence is a must. Municipal authorities must become part of the social and economic decision-making process. This means: increasing the powers of municipalities over the tax revenues from the territory of a municipality, as well as the financial autonomy that follows from this and absolute freedom in spending these funds.

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## ON THE NEED TO PREPARE STUDENTS OF REGIONAL DEVELOPMENT FOR ADMINISTRATIVE AND ORGANIZATIONAL SKILLS

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### ABSTRACT

The article deals with discussion problems and views of the author on the problems of formation of qualities and skills of future specialists in the field of regional development on the basis of the changed conjunctural environment and new pattern of global integration and processes of regionalization of the world. Its focus is on preparing young regional development professionals for administrative work. The affiliation of the Regional Development specialty to the professional field of Administration and Management to enable education to focus on the opportunities for trainees to acquire newer and more competent knowledge and skills in the field of organization and management. This aspect of skill acquisition and the focus of the training is on knowledge and competences in the public sector. Particular attention is given to the need for practical skills to prepare for work in private business organisation and management. An innovative pioneering model of work qualities and skills formation is proposed, which is also largely a matter of discussion and further modelling.

**KEYWORDS:** labor, regional, management, organizing, development, administration

### ABSTRAKT

Der Artikel befasst sich mit Diskussionsproblemen und Ansichten des Autors zu den Problemen der Ausbildung von Qualitäten und Fähigkeiten zukünftiger Fachleute im Bereich der regionalen Entwicklung auf der Grundlage des veränderten konjunkturellen Umfelds und neuer Muster der globalen Integration und der Regionalisierungsprozesse der Welt. Der Schwerpunkt liegt auf der Vorbereitung junger Fachleute für Regionalentwicklung auf die Verwaltungstätigkeit. Die Angliederung des Fachgebiets Regionalentwicklung an das Berufsfeld Verwaltung und Management soll es ermöglichen, dass sich die Ausbildung auf die Möglichkeiten der Auszubildenden konzentriert, neuere und kompetentere Kenntnisse und Fähigkeiten im Bereich der Organisation und des Managements zu erwerben. Dieser Aspekt des Kompetenzerwerbs und der Schwerpunkt der Ausbildung liegt auf Kenntnissen und Kompetenzen im öffentlichen Sektor. Besonderes Augenmerk wird auf den Bedarf an praktischen Fertigkeiten zur Vorbereitung auf die Arbeit in der Organisation und im Management der Privatwirtschaft gelegt. Es wird ein innovatives, bahnbrechendes Modell der Arbeitsqualitäten und der Ausbildung von Fähigkeiten vorgeschlagen, das auch weitgehend Gegenstand von Diskussionen und weiterer Modellierung ist.

**STICHWORTE:** Arbeit, regional, Management, Organisation, Entwicklung, Verwaltung

## RÉSUMÉ

L'article traite des problèmes de discussion et des points de vue de l'auteur sur les problèmes de formation des qualités et des compétences des futurs spécialistes dans le domaine du développement régional sur la base de l'environnement conjoncturel modifié et du nouveau modèle d'intégration globale et des processus de régionalisation du monde. L'accent est mis sur la préparation des jeunes professionnels du développement régional au travail administratif. L'affiliation de la spécialité "développement régional" au domaine professionnel de l'administration et de la gestion permet à l'enseignement de se concentrer sur les possibilités offertes aux stagiaires d'acquérir des connaissances et des compétences plus récentes et plus approfondies dans le domaine de l'organisation et de la gestion. Cet aspect de l'acquisition des compétences et l'orientation de la formation sont axés sur les connaissances et les compétences dans le secteur public. Une attention particulière est accordée à la nécessité d'acquérir des compétences pratiques pour se préparer à travailler dans l'organisation et la gestion des entreprises privées. Un modèle innovant de formation aux qualités professionnelles et aux compétences est proposé, qui fait également l'objet d'un débat et d'une modélisation plus poussée.

**MOTS-CLÉS:** travail, régional, gestion, organisation, développement, administration

## INTRODUCTION

This article is conditioned by the fact that issues related to work readiness and, in particular, work in the field of regional development management are fundamental in the process of acquiring a profession and the initial stages of adapting to it. All researchers have shown that the presence of work readiness predetermines a useful, pleasant and trouble-free involvement in a specific type of work. In this direction, the most appropriate work organisation in a company or institution to foster creativity and innovation within it is a combination of individual work and teamwork. In the field of regional development, due to the novelty of scientific knowledge in it, it is necessary to introduce additional methodology of management processes. This requires that in managing regional development, it should be well thought out, methods should be imposed according to the competencies of the types of teams, such as project team, parallel team or informal team, could coexist peacefully together with individual work organization. Work readiness, in the field of regional business and regional development, as well as the administration of public sector organizations, as an integral, complex manifestation, the basis of professional self-determination and a condition for successful initial adaptation, is formed, strengthened, modified during the university training (Andreev, 2012). Mental dimensions of readiness for administrative work are dynamic and changeable, enriched and confirmed in the preparation for professional work, which is conditioned already from the entrance to the university of young specialists in regional development. In all these companies, there is just such an organisation of work, in which individual work is combined with active teamwork. To make things happen in these companies, various changes are being made in management practices, in this direction and in the direction of human resource management practices. Changes are being made in job design, in selection, in appraisal, in rewarding employees, etc (Benev, 2000). In the analysis of the various publications on work readiness, we can differentiate the following problems: - Unspecified or even missing initial concept of the profession of the specialist in the field of regional development management, its structure and functional characteristics. This in practice begins with the study of individual components of the readiness propensity for organizational and managerial activity (Brown, 1998). In practice, however, due to the specificity and scope of regional development

management, it is not possible at this stage a sufficiently in-depth and systematic study on the dynamics of this readiness for work of regional development specialists. This is due to the lack of sufficient research data over a period of more than 10 years. In practice, the current data is based, primarily, on observations and positive or negative personal experiences. It is logical that extremely limited in number and issues are the studies of work readiness in regional development management to be specified in students of higher education institutions. Where they are trained in the specialty of Regional Development, Regional Business and Management and other related general professional activities. This also predetermines qualitatively new aspects and characteristics, which has not been taken into account. These problems point out the importance of the research topic and the need to study it in a research way, with modern and reliable scientific tools (Gardner, 2004). The data obtained should be relatively complete and cover the overall mental readiness of the individual to be realized in the field of regional development management.

***Methodology for identifying labour demand in regional development.*** The methodology of the present theoretical-empirical study is directly related to the choice of methods of the specific scientific search. The starting point of the methodology is educational practice. This means the assessment and analysis of the state of the contemporary Bulgarian higher education. This evaluation should simultaneously have an observation on individual organization of work of future young specialists of regional development. Individual work means that each employee in accordance with his position has to perform different tasks. These are either permanent (as is usually the case in practice) or extraordinary tasks. In the field of regional development, in view of the times in which it is sought to promote innovation as a profession, the organisation of individual work, especially for those employees who have a flair for or an attitude towards innovation, should be slightly modified (Druzhilkov, 2005). This has already been mentioned in "How to promote creativity in the company". This has motivated changes in regional development training in terms of the professional competences of regional development specialists, as well as in the way in which individual evaluations are carried out and how the acquired competences are assessed in terms of their readiness for a career in the regional economy (Ilieva, 2006). This means acquiring the competence to build a trust field on the part of your learners, who can take on the tasks (or just one task), understand their nature and be able to evaluate what end results you expect from the new tasks (the new task). In the new post-Kovid-19 realities, training should also embed a more flexible mechanism for training young people with the possibility of flexible working hours. Provide indicators in the appraisal and reward system by which you will judge that the performance of the relevant task is progressing. In the event of failure, do not automatically deduct from pay (Ilieva, 2006)). As can be seen, assigning an individual task in relation to innovation means an individual approach to the employees involved in the creative process. These arrangements we have to make are also related to the application of the specific research, first of all to make a logical analysis of the concepts of work readiness, in general. They are fundamental prerequisites in our research activity, aimed at the organization and dynamics of work readiness in administration, realized in the training, education and upbringing of students at the UNWE. The methodology we use includes a number of research methods that create the possibility of obtaining objectively correct and sufficiently reliable results. These, subjected to a thorough and comprehensive analysis, allow us to seek proof of the hypothesis put forward, the stated aim and the stated objectives of the present study. The methods of social-historical research are also used in the development: comparative, problem-chronological, retrospective, institutional. Methodological principles are applied: historicism, objectivity, reliability and comprehensiveness in studying the phenomena "readiness for work" and "readiness for administrative work" (Karageorgieva, 2013). For

greater clarity, the textual material is accompanied by graphical representations-tables, charts, diagrams and graphs-through which conditions are created for perceiving the dynamics in the process of preparation for administrative work. In practice, the problem is new for the researched field, since, in our opinion, the parameters of the educational service aimed at the preparation of personnel for regional development and regional economy in the XXI century in the countries of the European Union and Bulgaria, respectively, have not yet been clarified. The experience of the Republic of Bulgaria in the field of training of personnel for the higher and territorial administration, regional business, as well as for the administration of public sector organizations, through formal and non-formal training and education, is very modest. Most cadres for regional development and the creation of organization and management of economic actors in the local economy are the result of the specificity of informal learning, which covers all sectors of economic activity and takes place in different geographical, temporal and social contexts (Maniliev, 1998). On the other hand, in the early 1990s there were attempts through the non-governmental sector to create conditions for non-formal learning that were based on the application of the concept of lifelong learning. This process is incomplete and, in practice, no comprehensive mechanism has been found to coordinate efforts in establishing sufficiently authoritative vocational training centres, especially in the regional and local context. This predetermines a serious attention and attitude, both in theory and in practice of universities and structures of regional development, to outline the need to create and consolidate an institutional framework that uses the finished educational product in the field of administrative activity and training of future professionals in administrative work or to create attitudes in workers for the adoption of the imposed management approach (Milkov, 2011). Thus, we assume that management can be defined as a type of human activity aimed at the effective functioning of the organization in order to achieve its goals. In the training of personnel for regional development, it is necessary, in our view, to make extensive use of research in the management process, since it is in the regional economy and regional business that all elements of the management processes are to be implemented, both at the national and local levels.

#### **RESULTS AND DISCUSSION**

***Administrative and organisational activity in regional development.*** Science, from the standpoint of theory and the analysis of practical activity, exists precisely for this purpose- to make sense of human existence; to help the individual in cases of hesitation and difficulty in the choice of higher school, specialty, profession and place of realization of work and professional opportunities; to determine the methods of, Or in other words, the ways and means of overcoming conflicts in the process of preparing students for administrative and organizational activities; to predict and forecast the ways of improving the professionalism of the regional development specialist in his direct activity (Milkov, 2011). From this position, the study of readiness for work in the conditions of regional development and the processes of initial adaptation to it is, in a higher degree, the duty of social sciences. This makes it necessary to bring to the fore the philosophy of management, organizational psychology, the process of regional development, the theory of administrative culture, public management, administrative ethics and business relations in economically active entities. In this way, millions of the country's citizens and thousands of organizations (Milkov, 2016) are meeting in the economically active liza and the existing public sector in Bulgaria, wanted or not. All of them want and hope that their problems and issues will be solved as quickly as possible, fairly, without waiting for a long time, without corrupt practice or intercession. All in all, an interesting triangle of society-public sector-efficiency is created, where efficiency is personified by the visibility of our surroundings and the spatial development of the territory concerned. In addition, a country like Bulgaria is faced with the need to form a model of vertical governance that must

be tailored to the territorial specificities and spatial development objectives of the national territory. This is in line with Bulgaria's acceptance as a full member of NATO and the EU and its participation in many international institutions - the UN, puts before the state and regional authorities new, very serious requirements in terms of administrative services to citizens and organizations (Milkov, 2020). The increased moral, ethical and aesthetic culture of regional development management is a guarantee for the qualitative and efficient performance of their professional duties. The common globalization processes affecting the world and Europe do not pass the Republic of Bulgaria - our citizens enjoy cultural services from different structures of administration abroad and have the opportunity not only to compare but also to demand the same at home. Many Bulgarian private and public institutions work with representatives of other countries, from the United Europe and beyond. For example, investors, entrepreneurs, managers, coaches, athletes, students, owners of organizations - banks, companies, manufacturing enterprises, stock exchanges (Milkov, 2015). In this way, the positive foreign administrative experience from countries with developed civil society is brought to our country. In this regard, in our opinion, the importance and role of the public sector is growing and has an increasingly tangible impact on the social, cultural, educational, managerial and economic development of the country. Here is the place to outline the contours of the foundation of regional development, which is linked to the demographic potential of the territory concerned. It is linked to the optimal functioning of the public sector in the following areas: culture, education, health, and social security and assistance (Milkov, 2007). In this direction, regional development as a superstructure of this process has resulted in a relatively low level of quality of services in these areas. For example, the quality of social services as measured by the indicator "satisfaction" of users and their families has persistently low levels- 75% of people with disabilities consider that they are not perceived as equal by others, 85.7% rate public transport as inaccessible, 77% cannot attend cultural centres (Penkova, 2019). Thus, the massive changes in the traditional life style in Bulgaria and the penetration of European values require from the citizens of the country a better understanding of others and of the world as a whole, mutual understanding, peaceful exchange and true harmony- precisely, the things that are most lacking in the modern world. On the one hand, practice gives rise to science, just as every social or natural phenomenon has been the subject of study and research by people over the centuries. On the other hand, science describes and tries to explain practice in order to make it more effective (Penkova, 2019). Here, in our view, is the place to realise the possibilities of the new theory of humanist education and a new style of exercising the right to work and modelling territorial reality. To learn to live together, developing an understanding of others and of their histories, traditions and spiritual values, and creating on this basis a new spirituality imbued with the recognition of our growing interdependence and a complex analysis of the risks and challenges of the future, a spirituality that would stimulate people to work on common projects and to resolve the inevitable conflicts in a reasonable and peaceful way (Penkova, 2019). On the other hand, as the object of governance are the people managing the organization. But they are also subjects. It is more correct to speak of subject-subject relations in management. In addition, we can emphasize that there are different schools of management, but for us the behavioral approach, which emerged as a paradigm in the 1950s, is important. Behaviorist views are mainly visible in the works of Chris Argyris, Francis Laycard and Douglas McGregor. They focus their attention on the motivation of employees in the organization, the nature of power and authority in the organization, the phenomenon of leadership, organizational structure and communication in the organization. It pays special attention to interpersonal relationships in the organization and in this sense is a step forward compared to the previous school. The basic view is that labour productivity can be enhanced by increasing the effectiveness of the human factor. Later on, William



Eisard was accepted as the father of regional economics, which in fact built on the behavioural approach in the management of territorial processes and in fact conceptualised the modern world in the 21st century, which we can safely assume as the "Century of Regions". This new global spatial structure of the world is linked to the concentration of the global economy in 10-12 regional economic centres, which are home to ¾ of the world's population and produce more than 80% of the world's Gross Domestic Product. As the sciences of personality, of mental processes, properties and states, and of the processes of learning, education, upbringing, development, career choice and preparation, they play a leading role in the professional and creative growth of the individual (Penkova, 2019). The knowledge acquired in the psychology of professional culture and communication, organizational psychology and psychology of management is a guarantee that rationalists will apply in their professional activity only those forms of interpersonal communication that ensure the absence of tension, conflict situations, conflicts between themselves, citizens and organizations seeking administrative assistance, advice or service. Thus the profession of regionalists in the XXI century has a new peculiar social institute. It is a specific self-organizing profession in the sphere of management and administration as an organizational factor in the social system, providing accumulation, generalization, systematization and transmission of professional experience and functional role in social development. This summarized and objectified (in the form of instructions, rules, algorithms of activity, etc.) professional experience manifests itself, on the one hand, as a potential for the development of the professional community as a whole, and on the other hand, serves as a basis for the individual-professional potential of its members, who understand the need for the regional development specialist to be as a linking element in the relationship between society and the state in the local and territorial aspect (Penkova, 2019).

***The professional capabilities of the regional development specialist.*** According to employers in the world's most developed countries, professionals with more than one profession are increasingly in demand. However, this is a very difficult process of restructuring higher education towards hybrid specialisations. In practice, regional development specialists combine knowledge and skills in earth sciences, economics, information technology and administration and management. This means, however, that these competences must be sufficiently well mastered for him to be able to apply them in practice. Along these lines, senior managers accept that a successful career will require not only a sound education but also the mastery of a range of soft skills. Something that many students have already understood and in one form or another are doing. Another factor for success in the new professions will be combining a reputable university education with specialisation in some of the newly developing areas of business. A number of professions allow the individual to develop his or her potential intellectual and creative abilities more widely and to fulfil himself or herself to the full (Milkov, 2011). Of this group are the so-called liberal professions. Their psychological demands are great, since the individual in them is an artist, inventor, rationalizer, creator of new ideas, innovator. In them, of particular importance for the personality and its realization in the chosen profession, are the degrees of development of the intellect, the coefficient of intelligence, non-standard, creative, imaginative thinking and imagination, high and qualitative education. Unfortunately, however, there are professions that unilaterally develop and limit the expressions of the personality, the person becomes an appendage of the machine, technique and technology- specific skills and habits are developed, and everything else, of the deep personal nature, remains undeveloped. Therefore, people in such professions seek other opportunities for expression- through hobbies and interests, changing professions, choosing a new one that meets their expectations and preferences (Penkova, 2019). Vocational guidance is a system of vocational orientation, counselling and selection

measures that help individuals to choose a profession that matches the needs of society and their personal abilities and characteristics.

The aim and result of professionalisation is the development of the professionalism of the individual. The term 'professionalism' reflects, to such an extent, the individual's mastery of the mental structure of professional activity which corresponds to the standards and objective requirements existing in society.. Professionalism is an integral characteristic of the professional, manifested in his or her activities and in communication with colleagues, subordinates and supervisors (Milkov, 2011). It is not only the achievement of high production indicators, but also a feature of professional motivation, the system of goals, value orientations, awareness of the meaning of work, i.e., of everything that constitutes and builds the professional self-awareness of the working person. Professional self-awareness is built from the individual's perception of himself as a member of a particular professional community, which is the bearer of a specific professional culture, including certain professional norms, rules, traditions, customs inherent in a given professional community. Since professionalism is a phenomenon, as a natural consequence there are also questions related to the underlying processes and mechanisms (Benev, 2000). This mechanism is the mastering by future specialists in the field of public administration, in the process of their academic training, of the model of administrative work activity and, alongside this, the formation of professional self-awareness. It is obligatory, in our opinion, when designing and adopting the academic disciplines, developing the educational-methodical complexes and the curriculum of the specialty "Regional Development", to create such a model of training that provides students with the opportunity to internalize the goals and objectives set in the academic documentation. Thus, in the process of professionalization, initially, the individual, subjective and personal properties of the person must be developed and adapted to the content-subject and process-technological side of the profession (Karageorgieva, 2013). For this, the learners must be built the conceptual model of professional activity, providing practical solution of many professional tasks in the field of regional development. This directly corresponds to the fact that the trained personnel have a higher degree of employability.. Suitability also means acquired complex, integral qualities of personality. Often we take the application of qualities as a vocation to a particular work activity, but in our view vocation is rather a kind of orientation of the human personality to a particular kind of work. The criterion of vocation is the steady preservation of the inclination to a given activity in the process of its realization, and the indicator of vocation is the active striving to use one's own activity for the realization through the purposes of self-education of the qualities, properties, skills, abilities, attitudes, and orientation desired by the personality. The structure of professional vocation includes the inclination of the personality as a strictly selective orientation to a certain professional activity, aspiration and need to engage in it, attraction as a state of feelings and will, which amplifies the activity and purposefulness to the profession of the regionalist. Fitness for work is extremely influenced by the culture of work. The relationship between labour and culture has its aspects. During the period of totalitarian rule of our country, this relationship was understood as a driving force for the formation of a socialist attitude towards labour activity. Today, in the conditions of new social and economic relations, market economy and market competition, it is necessary to rethink the concept (Milkov, 2015). This is because with the advent of new technologies, labour is becoming, to a greater extent, from physical to intellectual, therefore material production requires from the producer a higher intellectual level, more knowledge in the field of spiritual culture, the spheres of which are science, directly influencing labour activity, and art, as a conductor of ideas, values, moral principles, without which there can be no culture of labour. The culture of work is that which determines human behaviour at work and makes people work more fully. Its uptake is a key mechanism for increasing productivity, leading to

positive social change (Ilieva, 2006). This calls for the formation of relationships that elevate the interaction between culture and work to a higher level. It is time, in our view, that every higher education institution explores the vocation to the specialty and profession from the moment of entry. Thus, we can summarise that the profession of regionalist should be an institutionalised, requiring some training or experience, socially significant activity, which is carried out in accordance with certain regulations and provides an opportunity for the personal fulfilment. Thus we come to the condition of socially determined, professional activity and a link between society and the individual. The readiness for administrative work provided in the preparatory higher school is imperative and of particular importance for the formation of the personality of the future specialist, realizing his professional strengths and abilities in the field of regional development. It is related to all stages of the professional's development - from orientation and selection, through training and adaptation, to his overall realization. Ultimately, work readiness is a complex, difficult and continuous process of theoretical, theoretical-applied and practical enrichment, as well as personal professionalisation of the regional development specialist.

### **CONCLUSION**

Developing certain mental phenomena in the personality and atrophying others, the profession of the regional development specialist also reflects on the social nature of the professional, as it has not only socio-economic, but also socio-psychological characteristics and requirements. It can have a field of expression except in the regional business and public sector itself and in the field of network administration, communications and web developers, material and technical procurement, etc. In close spheres that are expected to register the need for regional development specialists are related to information technology and data security, online security and risk management with complementary education (Penkova, 2019). For a successful career of this nature, an education in the field of geographic information systems, as well as experience and knowledge in the field of data and systems security, will be of utmost importance. The professions are also seen as self-defined power elites that are organized along guild lines. From this perspective, specialized knowledge and a code of ethics function to preserve the power that the profession or guild holds over the general population. For example, the right of doctors to practice medicine and prescribe drugs; of the clergy, in some countries, to solemnize or dissolve civil marriages; of psychologists to give and interpret certain psychological tests, the content and meaning of which are kept secret; of lawyers to participate in courts and pronounce judgments, to be prosecutors, judges, legal advisers or lawyers (Milkov, 2016). From another point of view, professions are defined as activities in which a person who possesses specialized knowledge or skills offers, for payment, to other persons or organizations to apply his knowledge or skills for their benefit. We believe that the profession of a regional development specialist, as an objective fact and an economic category, contains a wide range of mental characteristics in the modern nature of work. It forms the mental profile of the person, which, in turn, unites his psychological requirements, as well as the public opinion about him. Therefore, communication realizes all professional functions - communicative, organizational, gnostic, constructive is essential in the management of regional development. It ensures the active position of the participants in the unified administrative process and an opportunity to get to know the personal and individual qualities, skills and knowledge that students can acquire within the framework of their studies in higher education institutions.

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**MARKETING STRATEGIES AND PERFORMANCE OF SELECTED SMALL AND MEDIUM ENTERPRISES  
(SMEs) IN CENTRAL SENATORIAL DISTRICT OF CROSS RIVER STATE, NIGERIA**

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**ABSTRACT**

Small and medium-scale enterprises (SMEs) are an essential component of the nation's economy, contributing in a number of ways, including creating money, opening up new employment opportunities, introducing innovations, and fostering competition. This research investigated the impact of marketing strategies on the performance of SMEs in the central senatorial district of Cross River State, Nigeria. The study specifically looks at the impact of micromarketing, marketing communication, and electronic marketing on the performance of SMEs. The researchers adopted the survey design. The questionnaire was the instrument administered to SME owners in the six local government areas that make up the central senatorial district, of which 375 copies were retrieved and completed in useable form. Hence, 375 formed the sample for the study. The obtained data were analysed using percentages, and hypotheses were tested using multiple regression analysis. Findings from the study revealed that there is a significant relationship between marketing strategies (micromarketing, marketing communication, and electronic marketing) and the performance of SMEs. The study recommends that SME owners should pay special attention to marketing communication, as that is the strategy with the greatest impact on SME performance.

**KEYWORDS:** marketing strategies, performance of SMEs, micromarketing, electronic marketing and marketing communication

**ABSTRAKT**

Kleine und mittlere Unternehmen (KMU) sind ein wesentlicher Bestandteil der Wirtschaft des Landes und tragen in vielerlei Hinsicht dazu bei, Geld zu schaffen, neue Beschäftigungsmöglichkeiten zu eröffnen, Innovationen einzuführen und den Wettbewerb zu fördern. Diese Studie untersucht die Auswirkungen von Marketingstrategien auf die Leistung von KMU im zentralen Senatsbezirk von Cross River State, Nigeria. Die Studie befasst sich insbesondere mit den Auswirkungen von Mikromarketing, Marketingkommunikation und elektronischem Marketing auf die Leistung von KMU. Die Forscher wählten ein Umfragedesign. Der Fragebogen war das Instrument, das den KMU-Besitzern in den sechs lokalen Regierungsbezirken, aus denen sich der zentrale Senatsbezirk zusammensetzt, ausgehändigt wurde. 375 Exemplare davon wurden abgerufen und in brauchbarer Form ausgefüllt. Die 375 Exemplare bildeten somit die Stichprobe für die Studie. Die gewonnenen Daten wurden anhand von Prozentsätzen analysiert, und die Hypothesen wurden mithilfe einer multiplen Regressionsanalyse getestet. Die Ergebnisse der Studie zeigen, dass ein signifikanter Zusammenhang zwischen den Marketingstrategien (Mikromarketing, Marketingkommunikation und elektronisches Marketing) und der Leistung von KMU besteht. Die Studie

empfiehlt den Inhabern von KMU, der Marketingkommunikation besondere Aufmerksamkeit zu schenken, da sie die Strategie mit dem größten Einfluss auf die Leistung der KMU ist.

**STICHWORTE:** Marketingstrategien, Leistung von KMU, Mikromarketing, elektronisches Marketing und Marketingkommunikation

## RÉSUMÉ

Les petites et moyennes entreprises (PME) sont une composante essentielle de l'économie nationale, à laquelle elles contribuent de diverses manières, notamment en créant de l'argent, en ouvrant de nouvelles possibilités d'emploi, en introduisant des innovations et en stimulant la concurrence. Cette étude a examiné l'impact des stratégies de marketing sur les performances des PME dans le district sénatorial central de l'État de Cross River, au Nigeria. L'étude examine spécifiquement l'impact du micromarketing, de la communication marketing et du marketing électronique sur les performances des PME. Les chercheurs ont adopté la méthode de l'enquête. Le questionnaire a été administré aux propriétaires de PME dans les six zones de gouvernement local qui constituent le district sénatorial central, dont 375 exemplaires ont été récupérés et remplis sous une forme utilisable. Ces 375 exemplaires ont donc constitué l'échantillon de l'étude. Les données obtenues ont été analysées à l'aide de pourcentages et les hypothèses ont été testées à l'aide d'une analyse de régression multiple. Les résultats de l'étude ont révélé qu'il existe une relation significative entre les stratégies de marketing (micromarketing, communication marketing et marketing électronique) et les performances des PME. L'étude recommande aux propriétaires de PME d'accorder une attention particulière à la communication marketing, car c'est la stratégie qui a le plus d'impact sur les performances des PME.

**MOTS-CLÉS:** strategies de marketing, performances des PME, micromarketing, marketing électronique et communication marketing.

## INTRODUCTION

The word strategy comes from the ancient Greek word “strategos”, which simply means “general in command of the military”. The term strategy has long been linked with the military, which reflects on how the military intends to react to an adversary’s game plan. Today, marketing and other behavioural disciplines have adopted the construct into their lexicon (Ebitu, 2015:276). Aluko, Odugbesan, Gbadamosi, and Osuagwu (2011:16) describe strategy as a long-term commitment of an organisation's resources to achieve specific objectives. They added that strategy is an organisation’s framework for how best its goals can be achieved in the light of competition, varying organisational resources, and the changing business environment. For small and medium enterprises (SMEs) to survive, Achumba (2000:2) opined that SMEs must learn how to develop and apply strong marketing strategies.

“Marketing strategy” refers to the interplay that occurs between the external and internal environmental factors that examine the organisation’s position in the target market (Wawira, 2016). The overarching corporate strategy serves as the foundation for the marketing strategy. Marketing strategy is refers to those marketing initiatives created to help an organisation achieve its goals (Ebitu, 2016). According to (Ebitu 2015:278), marketing strategies should focus on how an organisation can effectively differentiate itself from its competitors while capitalising on its unique skills to provide superior value to its consumers. It answers the question of how, when, and what small and medium enterprises (SMEs) can do over time to remain competitive and perform stronger in the face of globalisation.

To achieve the performance matrix, SMEs have to plan ahead of time with the best marketing strategies that allow them to examine both long-term and short-term goals, which makes it possible to meet performance within a given time frame. Small and medium enterprises (SMEs) in Nigeria are a fundamental part of the nation’s economic growth. This sector promotes private development and

partnerships, which are known as the major engines of economic development (Ebitu, Basil, and Ufot, 2016). Amin (2021) reported that the importance and contributions of SMEs are easily noticeable. They strengthen the industrialization sector of most developing nations in the world, create jobs, and raise the standard of living of the teeming population of the economy (Gajanayake, 2010; Etuk *et al.*, 2016; Etuk, Udoh, and Eke, 2021). Despite these priceless contributions to economic development and growth, SMEs are constantly confronted with fierce competition from large and well-established companies due to their inability to introduce cutting-edge technology and innovations. This circumstance makes it challenging for SME's to perform and maintain their position in the marketplace effectively (Dzisi and Ofosu, 2014).

As is noticeable in Nigeria and other developing countries of the world, SMEs in Nigeria, particularly in the central senatorial district of Cross River State, are faced with numerous problems ranging from a lack of trained workers, insufficient financial capital, a lack of quality infrastructure, fraud, problems interpreting and analysing market opportunities, a limited range of products, incompatible government policies, and also stiff competition from foreign companies (Etuk *et al.*, 2021; Ebitu, 2016; Mustapha, 2017). Apart from the aforementioned issues, it has been observed that SMEs within the central senatorial district are still unable to realise their full potential, and their business practices continue to be narrowly focused (Mokhtar and Wan-Ismael, 2012).

Researchers have argued that in order to improve performance, SMEs should be more aggressive in exploring a variety of competitive marketing strategies (Etuk *et al.*, 2022). SMEs in the senatorial district should forge their own course for development by depending on the best strategies that enable them to dominate new markets, boost their sales revenue, and broaden their customer base. The impact of marketing strategies on the performance of SMEs in the senatorial district has received minimal research attention by researchers, despite SMEs' contributions to the district. This paper bridges the gap by contributing to the literature and examining three marketing strategies (micromarketing, marketing communication, and electronic marketing) and their impact on the performance of SMEs in the central senatorial district of Cross River State, Nigeria.

**Research Objective.** This study sought to investigate marketing strategies and its impact on the performance of selected small and medium enterprises in central senatorial district of Cross River State. Specifically, the aim for this study is to:

- Examine the overall relationship between micromarketing, electronic marketing and marketing communication on the performance of SMEs Cross River central senatorial district.

#### **Research Hypotheses**

- **H<sub>01</sub>:** There is no collective significant relationship between micromarketing, electronic marketing and marketing communication strategy and performance of SMEs in Cross River State, central senatorial district.

**Overview of marketing strategies.** No one marketing strategy is best for all organizations. Business owners must determine what makes the most sense given their position in the marketplace and their overall objectives and resources. Even within an organisation, different marketing strategies may be required to enhance sales (Kotler and Armstrong, 2010). Marketing strategy remains a dynamic subject matter; hence, there are as many definitions as there are authors (Mogaba, 2006). Chigbata, Chukwunonso, and Ifeanyi (2020) see marketing strategy as the effective use of organisational resources to assist business owners in gaining a competitive edge in a certain market area. Igbaji and Eke (2022) summarised marketing strategy as a tactical design that must be implemented by organisations to satisfy their target market, attract new consumers, and attain their objectives. Kasiso (2017) perceived marketing strategies as having the primary objective of boosting sales and creating a long-lasting competitive advantage.

According to Amin (2021), marketing strategy is the design that helps an organisation channel its scarces resources on the best possible task so as to improve sales volume. Marketing strategy, as

described by Etuk *et al.* (2022), is designed, carried out, and managed by organisations in order to achieve their established or intended goals, such as an increase in revenue, market penetration, customer satisfaction, and high performance. In summary, we can now simply define marketing strategies as the approaches that focus on the future, methods, ways, and plans that small and medium enterprises (SMEs) intend to achieve and be competitively successful in the marketplace.

**Micromarketing strategy.** Micromarketing as a marketing strategy was conceptualised in 1988 by Ross Nelson Kay with special attention to understanding the local market and personalising marketing campaigns to satisfy customer needs and wants in a segmented market (Etuk, USani, and Udoh, 2021). They added that the strategy was first implemented in the real estate sector. Twin (2019) perceived micromarketing as a marketing strategy that an organisation employs to target a niche market with the intention of satisfying consumers and enhancing its sales volume. Perrault, Cannon, and McCarthy (2017) describe micromarketing as a strategy for small firms. According to Shaw (2018), micromarketing refers to the marketing strategy used to market an organisation's products and services directly to a targeted group of consumers based on specific information about the targeted consumers. Usani (2021) sees micromarketing as an emerging marketing technique that is fantastically powerful, personally rewarding, and a future-proofed business model that enhances customer satisfaction, loyalty, and patronage. This strategy remains the most effective and efficient marketing strategy suited for small business owners to enhance growth and promote their brand.

**Electronic Marketing Strategy.** Organisations of all types are now marketing online. The trend towards more narrowly targeted consumers has caused many organisations to adopt online marketing or electronic marketing, either as a primary marketing technique or as a supplement to other marketing strategies. Electronic marketing has become the fastest-growing form of marketing strategy in recent times. According to Kotler and Armstrong (2010), electronic marketing refers to an organisation's efforts to market products and services and develop strong customer relationships over the internet. As noted by Arens, Weigold, and Arens (2011), the internet has created opportunities for marketers to create value for consumers and build customer relationships. The adoption of electronic marketing has fundamentally changed customers' ideologies of convenience, speed, price, product, information, and services. Etuk *et al.* (2021) assert that electronic marketing is a branch of advertising that encompasses all online marketing operations carried out by an organisation through the use of the internet. Salome and Ofunre (2019) stated clearly that e-marketing has the ability to change how marketing activities are done by moving an organisation's products and services from offline to online platforms. According to El-Gohary (2010), electronic marketing is seen as a new marketing strategy that promotes products, services, ideas, and information via the web and other digital platforms. In a similar perspective, Eni (2017) conceptualised e-marketing as the use of online mediums such as WhatsApp, Facebook, LinkedIn, Instagram, and Telegram for the distribution, promotion, and pricing of organisations products and services to satisfy consumers needs and wants in order to capture value for profit. Hence, e-marketing enables SMEs and other organisations to develop and nurture relationships with their customers and other stakeholders to enhance performance.

**Marketing Communication Strategy.** Marketing communication involves communicating the characteristics of a firm's product, service, or brand to target consumers through the appropriate medium at the right time, price, and place. Marketing communication, according to Ebitu (2015:230), is the process of sending messages with the objective of making an organisation's products and services attractive to a target audience for patronage. Bearden *et al.* (2001:369) opined that marketing communication is a strategy of an organisation that directly influences the attitudes and behaviours of target consumers. Researchers have proven that these communication strategies that influence the behaviour of consumers include a blend of promotional mix elements such as advertising, personal selling, sales promotion, public relations, publicity, and direct marketing (Usani, Etuk, and Ekpenyoung, 2021). For Ebitu (2015), the



process of integrating the promotion mix is to achieve coordinated and clear messages that promote the organisation's goal and enhance consumer satisfaction. Through marketing communication, business owners try to inform, convince, and remind consumers about the products and services they sell (Usani *et al.*, 2021).

**Concept of Performance for Small and Medium Enterprises.** Through the literature on performance measurements, scholars have constantly argued that the concept of performance is vague, there are no uniform and standardised terms, and that performance is a multidimensional construct. The widespread use of performance as an economic measure and meta-analysis reveal that performance is an essential underpinning in an organisation (Sonnentag and Frese 2001; Ghalem, Okar, Chroqui, and Elalami 2016; Amin 2021). Samsonowa (2012) contends that despite the diversity of definitions of performance, they are all related to two concepts: effectiveness and efficiency. She added that effectiveness is the measure of how well a goal was attained, and efficiency is the measure of the resources used to get there. Performance can be determined based on sales volume, satisfaction, market growth, market share, and profitability (Usani and Eko, 2021). According to the business lexicon, performance is how well a work is completed in comparison to predetermined standards of precision, thoroughness, cost, and speed.

**Overview of Small and Medium Enterprises (SMEs).** Various Nigerian agencies, organizations, and authorities have different definitions of micro, small, and medium-sized enterprises (MSMEs). This demonstrates the absence of a clear-cut, widely acknowledged definition of what constitutes a micro, small, or medium-sized business. The Central Bank of Nigeria defines a SMEs as a business that employs no more than 500 people and has capital employed (excluding land) between ₦1 million and ₦150 million. According to the National Policy on Micro, Small, and Medium-Scale Enterprises, SMEs are classified as small to medium-sized businesses based on the assets and personnel they employ. Micro, Small, and Medium-Sized Enterprises (MSMEs) are what the National Council on Industry (NCI) classified as:

- **Micro/Cottage Industry:** A business with an asset base of little more than ₦1.5 million Naira, minus the cost of land, but including working capital, and no more than 10 employees.
- **Small Scale Industry:** A sector of the economy with an asset base greater than 1.5 million but less than ₦50 million, excluding land costs, and employing between 11 and 100 people.
- **Medium Scale Industry:** An industry is considered to be medium scale if it has an asset base of more than ₦50 million but not more than ₦200 million, excluding the cost of the land but including working capital, and/or if its workforce size is from 101 to 300.
- **Large-scale industries** are those with asset bases over ₦200 million, excluding land costs, but incorporating working capital and/or having more than 300 employees.

The definitions provided by various organisations, including the National Association of Small and Medium-Sized Enterprises (NASME), Small and Medium Industries and Equity Investment Schemes (SMEIES), the Small and Medium Enterprises Development Agency of Nigeria (SMEDAN, 2003), and others, vary slightly from one another. According to Ebitu, Basil, and Ufot (2015), SMEs are businesses with fewer than 200 employees and assets worth less than \$300 million, excluding land and buildings. This paper adopts their definition of SMEs. Some strategies that could affect the performance of businesses are micromarketing, marketing communication, and electronic marketing, which are adopted as dimensions of marketing strategies.

**Empirical Review.** Various studies have been conducted on marketing strategies and performance. Igbaji and Eke (2022) examined the interplay of marketing strategies with pension fund administrators. As a result, they found a strong positive relationship between relationship marketing and marketing communication as key marketing strategies to improve the performance of fund administrators in Cross River State. Adewale, Adesola, and Oyewale (2013) investigated the impact of marketing strategy on the business performance of selected SMEs in the ancient city of Ibadan, Nigeria. Their aim was to conduct a

combined association on the dimensions selected, which were product, price, promotion, and place. They established that the dimension of marketing strategy had a significant link to the business performance of SMEs. Most recently, Etuk, James, and Joseph (2022) studied the influence of marketing strategies on passengers' adoption of Bolt's ride-hailing services in both the cities of Calabar and Uyo. Findings and conclusion of the study showed that marketing strategies have a significant and positive influence on the adoption of ride-hailing services in both the metropolis of Calabar and Uyo. Also, a descriptive study was conducted by Chigbata *et al.* (2020) to ascertain the performance of SMEs in Anambra State, Nigeria, through the adoption of marketing strategies. The correlation results showed that marketing strategies had a positive relationship with SMEs performance. Finally, Ebitu (2016) conducted a study in Akwa Ibom State, Nigeria, to examine the impact of three marketing strategies (product quality, marketing communication, and relationship marketing) on SMEs performance. The study findings revealed that the three marketing strategies studied had a significant impact on the performance of SMEs in Akwa Ibom State.

**Research methodology.** This investigation took place in the central senatorial area of Cross River State, Nigeria. Abi, Boki, Etung Obubra, Ikom, and Yakurr local government areas are among the six local governments that make up the senatorial district. Since it is home to so many small and medium enterprises, this senatorial district was chosen as the research area. The people of the central area are friendly, and the local governments are renowned for their well-known New Year festivities. A survey research design was used in this study. 384 SMEs made up the study sample, which was selected using a convenient sampling technique. The main tool for gathering data was a carefully structured questionnaire. The instrument's dependability was examined using the Cronbach (alpha) model. The reliability coefficient for Cronbach's alpha of 0.74 was attained. The level of Cronbach's alpha was deemed sufficient to support the use of the instrument. The statistical tool of the multiple regression technique was used to analyse the data, and it was performed electronically with SPSS version 23.

### RESULTS AND RESULTS DISCUSSION

Over the course of one month and two weeks, the researchers interviewed 384 SMEs using a questionnaire. Only 9 copies, constituting 2% of the 384 administered copies of the questionnaire, were not properly filled out or returned. Leaving 375 copies, or 93%, to be used in the study. Hence, the 375 questionnaire that were retrieved and properly filled served as the basis for the hypothesis testing process.

**Interpretation.** The results of the multiple regression analysis used to examine the impact of marketing strategies on the performance of SMEs are summarized in Table 1, 2 and 3. According to the correlation coefficient ( $R = 0.82$ ), implies that there is an 82% link between the performance of SMEs and marketing strategies. According to regression coefficient ( $R^2 = 0.672$ ), marketing strategy may have contributed up to 67.2% of the variation in SMEs performance. This implies that under normal circumstances, marketing strategies have an impact on how well SMEs function. The F- calculated of 182.233 is greater than the F- critical of 1.96 at 0.05 thresholds and  $P < 0.05$  ( $0.000 < 0.05$ ). This implies that there is a regression relationship between the dependent variable and the independent variables. The beta coefficient was obtained for marketing communication ( $\beta = 0.599$ ,  $SE = 0.61$ ,  $t \text{ calc} = 9.901$ ,  $p = 0.000$ ,  $p < 0.05$ ), micromarketing ( $\beta = 0.312$ ,  $SE = 0.061$ ,  $t \text{ calc} = 5.098$ ,  $p = 0.000$ ,  $p < 0.05$ ), electronic marketing ( $\beta = 0.404$ ,  $SE = 0.104$ ,  $t \text{ calc} = 0.355$ ,  $p = 0.000$ ,  $p < 0.05$ ). Since the P-value is less than 0.05 ( $P < 0.05$ ), the null hypothesis was rejected. Thus, there is a strong positive impact of marketing communication, micromarketing and electronic marketing on the performance of SMEs. From the analysis conducted, it was noticeable that marketing communication was found to have the most significant influence on SMEs performance in the senatorial district with a coefficient of  $\beta = 0.599$ .

**Discussion of findings.** Many researchers have paid much attention to identifying effective and efficient marketing strategies to improve the performance of SMEs in Nigeria and other geographical

regions. Accordingly, this present study verified whether there was a combined relationship between the predictor variables—micromarketing, electronic marketing, and marketing communication—and the criterion variable—the performance of SMEs in the central senatorial district of Cross River State, Nigeria. The result of this study indicates that there is a significant positive relationship between the predictor variables and the criterion variable. This implies that marketing strategies have a significant relationship with the performance of SMEs in the central senatorial district of Cross River State, Nigeria. This result is in tandem with the findings of Igbaji and Eke (2022); Adewale *et al.* (2013); Etuk *et al.* (2022); Chigbata *et al.* (2020); and Ebitu (2016), who, in their research at different locations, times, and years, found that marketing strategy underpinnings are positively and significantly related to the performance of businesses. For instance, Igbaji and Eke (2022) opined that marketing communication is the only strategy that improves performance and that marketing communication is an essential dimension for ensuring productivity, patronage, and increasing profitability. Ebitu (2016), who, similarly, found a significant association between marketing strategies and SMEs performance in Akwa Ibom State, Nigeria, makes it clear that marketing communication enhances the knowledge of marketing information and persuades the acceptance of SMEs/organisations offerings. Hence, organisations must be willing and committed to improving their performance through effective and efficient communication skills.

#### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.820 <sup>a</sup>	.672	.668	1.12618

a. Predictors: (Constant), Micromarketing, Electronic marketing, Marketing communication

#### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	924.492	4	231.123	182.233	.000 <sup>b</sup>
	Residual	451.508	356	1.268		
	Total	1376.000	360			

a. Dependent Variable: performance of SMEs

b. Predictors: (Constant), Micromarketing, Electronic marketing, Marketing communication

#### Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	.078	.556		.140	.889
	Marketing communication	.599	.061	.427	9.901	.000
	Micromarketing	.312	.061	.245	5.098	.000
	Electronic marketing	.404	.104	.335	3.895	.000

Dependent Variable: performance of SMEs

Source: SPSS output 2022.

**Limitations and future scope.** There are a number of restrictions on this study that provide directions for future investigations. This present study was restricted to the central senatorial district of Cross River State in Nigeria and did not take into account the performance experience of other senatorial districts within the state. We only considered three marketing strategies, which are micromarketing, electronic marketing, and marketing communication. Other marketing strategies that can impact or influence business performances were not considered. We measured our instrument on selected SMEs within the central senatorial district. Hence, future studies should be directed towards a wider coverage of SMEs to study the impact or influence of marketing strategies on performance.

### **CONCLUSION**

This study was inspired by the fact that SMEs in the central senatorial district of Cross River State operate in a cutthroat environment and might not be aware of the best marketing strategies for enhancing their business performance. Based on the empirical findings of this study, the researchers concluded that marketing strategies (micromarketing, marketing communication, and electronic marketing) positively impact the performance of SMEs in the central senatorial district of Cross River State. Conceptually, this study contributes to knowledge in the marketing field and can be a reference point for future studies on the subject matter.

### **RECOMMENDATIONS**

On the basis of the findings, the researchers suggest that SME owners should exhibit a high level of commitment to marketing strategies by adopting micromarketing, electronic marketing, and marketing communication in their daily operations to enhance their sales, market share, growth, profitability, and performance. SME owners should pay special attention to marketing communication, as that is the strategy with the greatest impact on SME performance. They should also pay attention to how they communicate with customers and how they obtain information concerning customers' needs and wants if their goal is to enhance performance.

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## OPPORTUNITIES FOR MEASURING REGIONAL DEVELOPMENT IN BULGARIA

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### ABSTRACT

The report is devoted to the need to introduce indicators for measuring the effects of regional development in Bulgaria. A theoretical analysis is made on the necessity to deduce the spatial and spatial patterns by referring to the relevant indicative values and indicators. In this plane of socio-economic development, the necessity to derive the functional relations in the management of the regional development and the processes related to the valuation of these indicators. Models of assessing the state of municipalities and settlements are being used to derive a set of indicators that will allow us to have the necessary tool for analyzing and evaluating possible policies for effective regional policy. The report has attempted to systematize knowledge on regional development issues and its assessment.

**KEYWORDS:** regional, space, development, areal, geography, economics

### ABSTRAKT

Der Bericht befasst sich mit der Notwendigkeit, Indikatoren zur Messung der Auswirkungen der regionalen Entwicklung in Bulgarien einzuführen. Es wird eine theoretische Analyse über die Notwendigkeit der Ableitung von räumlichen und räumlichen Mustern unter Bezugnahme auf die entsprechenden Richtwerte und Indikatoren durchgeführt. Auf dieser Ebene der sozioökonomischen Entwicklung werden die Notwendigkeit der Ableitung der funktionalen Beziehungen im Management der regionalen Entwicklung und die Prozesse im Zusammenhang mit der Bewertung dieser Indikatoren untersucht. Anhand von Modellen zur Bewertung des Zustands von Gemeinden und Siedlungen wird eine Reihe von Indikatoren abgeleitet, die es uns ermöglichen, über das notwendige Instrumentarium zur Analyse und Bewertung möglicher Maßnahmen für eine wirksame Regionalpolitik zu verfügen. Mit dem Bericht wurde versucht, das Wissen über Fragen der regionalen Entwicklung und deren Bewertung zu systematisieren.

**STICHWORTE:** regional, Raum, Entwicklung, Fläche, Geographie, Wirtschaft

### RÉSUMÉ

Le rapport est consacré à la nécessité d'introduire des indicateurs pour mesurer les effets du développement régional en Bulgarie. Une analyse théorique est faite sur la nécessité de déduire les modèles spatiaux et spatiaux en se référant aux valeurs indicatives et aux indicateurs pertinents. Sur ce plan du développement socio-économique, la nécessité de déduire les relations fonctionnelles dans la gestion du développement régional et les processus liés à l'évaluation de ces indicateurs. Les modèles d'évaluation de l'état des municipalités et des localités sont utilisés pour dériver un ensemble d'indicateurs qui nous permettront de disposer de l'outil nécessaire à l'analyse et à l'évaluation des

politiques possibles pour une politique régionale efficace. Le rapport a tenté de systématiser les connaissances sur les questions de développement régional et leur évaluation.

**MOTS-CLÉS:** régional, espace, développement, aréolaire, géographie, économie

## INTRODUCTION

In managing regional development, decisions have to be justified. Often these decisions are the result of borrowing indicators and benchmarks characterising socio-economic processes, but they have an indirect impact on regional development rather than supporting its effective management. This calls for the need to look for effective solutions and indicators that assess the processes taking place and set a new perspective through the management of local space. Moreover, in the modern world all processes have their local dimension and they characterise the conditions and comfort of life of the population adjacent to the territory concerned. In this direction, we must clearly acknowledge that this process is legitimate and can have the necessary evaluative framework. It develops in the respective stages of the absorption of space by man and his activity. This change is expressed in the regional development of the territory and in the functional change it undergoes. From a scientific point of view, this makes it necessary to look for a specific cognitive approach involving a combination between spatial systematization and the imposed model of socio-economic management for the rational development of the individual territorial community. Thus, knowledge of the optimal spatial organization of life requires the study of the resource, human and technological capabilities of a country or region. This also predetermines the scientific role of regional development to be a connecting level between economy and politics through the functional variations of management and administration of individual territorial communities. From what has been said so far, we can assume, albeit with many qualifications, **that regional development is a process of permanent social change that contributes to lasting and sustainable community development in a particular region. It implies a multi-sectoral and complex process linked to certain objectives: economic growth, sustainable development, social integration, satisfaction of basic needs, quality of life, regional autonomy and environmental protection.** This approach calls for the introduction of an appropriate specification or categorisation of the different territorial communities. Methodologically, regional development can be approached by drawing up an integral assessment within a specific spatial and territorial scope. This approach allows us to derive a spatial overall assessment of the situation in a given unit (municipality, locality) as a sum of individual assessments of their indicators. This makes it possible to frame the respective communities' deficits in the socio-economic development of individual territorial units by measuring regional development (Boyadzhiev, V. 2006). Hence, through regional development, a vertical disaggregation of the spatial structure of the modern nation-state can be carried out in order to reveal the degree of economic linkages between them and characterize the environment. This can be done by determining the zones of gravity and the role of large settlements and settlement structures in their functioning and the state of the regional economic system. In this direction, the correct typification and functioning of the areas based on the concept of pole development in accordance with the national and regional location and development can be important.

## RESULTS AND DISCUSSION

For each country, relevant types of regions can be identified: hypertrophic, highly industrialised, weakly industrialised, highly urbanised, regions dominated by small settlements and dispersed

localisation of population, transport regions, regions with peripheral economy, specific functional regions (agrarian, industrial, tourist, mountainous), etc., and the corresponding regional policy can be pursued. This leads to a further necessity that, for the assessment of spatial development, indicators should be subtracted into at least two groups (**Geshev.G.1999**). Thus, let us assume that there are core and complementary indicators in regional development. Such a division can be derived depending on the objectives of the categorization or due to their specific features to distinguish the objects (municipalities and localities). This process must undoubtedly be linked to the structuring of an information database in which primary data are accumulated. The second step is to bring the indicators into a single scale, by defining a baseline integral score for each municipality and each locality, and forming groups and categories of territorial communities. In practice, in order to proceed to the analysis of results and proposals for categorization to match the defined criteria and indicators with the necessary primary and derived values of indicators to be measured and valued<sup>1</sup>. This necessitates the derivation of appropriate data interpretation models. Thus, regional development can have a corresponding cybernetic model expressed in the establishment of relationships (forward and backward) and regulations in a certain territorial scope of the organized and self-regulating system. In this direction, regional development can be seen as a process that obeys general patterns, regardless of the nature of the environment, whether it is governance in living nature, in non-living nature or in society. Thus, from a theoretical point of view, regional development is related to the functioning of governance in complex dynamic systems, abstracting from their substantive characteristics. Regional development proves that systems are characterized by continuous changes, complexity of structure and increasing or decreasing degree of stability of their existence depending on the amount of information in them. In this direction, regional development is called to be a necessary component of self-governing systems(Dimov, N. 2006).

In the context of very limited resources, regional development sets the necessary information as fundamental for the clarification of the management of the territory by enabling new decisions and management practices related to its adaptation to all classes of systems. This is because individual regions and territorial communities are the subject of public regional policy. Through the policies implemented, some support is sought to enable the relevant spatial policies to be implemented, leading to positive change or avoiding a crisis. Regional development has acquired a spatial aspect, but it needs measures to assess the possibility of dynamic development. On the other hand, the system of indicators makes it possible to look for opportunities to accumulate resources for redistribution also in underdeveloped and difficult areas (Dimov, N. 2007). This makes it necessary for the relevant indicators to have appropriate rankings and numerical values. In practice, this means pursuing a forward-looking regional policy, mainly by observing the principles of efficiency in the development of the investment and economic components of regional policy. Regional preferences in the promotion of regional development should have as their focus the areas with the highest development potential, and urgent measures should be taken in parallel, including regional aid for critical areas or those in decline. This means supporting and prioritising the

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<sup>1</sup> Primary data from supporting institutions or sources of specific information are used. Where necessary, preliminary analyses and calculations shall be carried out using standard statistical calculations including the application of geospatial analyses. The Unified Classification of Territorial and Administrative Units (ECATTE) maintained by the National Statistical Institute (NSI) shall be used in the formation of the database and in subsequent calculations for municipalities and localities. If data are not available for some of the indicators for all units, this indicator is excluded from further analysis or data from previous years are taken if possible. In the absence of data for some of the units (municipalities and/or localities) for any of the indicators, average or approximate values are used. It is assumed that the base has been formed and all indicators have been valued when the data for each indicator have been completed for each municipality or locality.



development of areas that can become locomotives of progress and development, as well as the implementation of vital projects in areas with exceptional difficulties, with appropriate dosage of infrastructure, economic and social measures.

In practice, regional development is meant to characterize the pattern or pattern of development of the country as a whole. This implies a significant level of decentralisation and linkage of the governance system to the available resources for the implementation of the relevant measures and policies. To a large extent, regional development management requires the setting of priorities for each individual territorial community - the respective autonomous space - in the search for realising the potential and comparative advantages for better participation in national and international markets within the global framework of the national development strategy. Thus, we can assume that as a systems paradigm regional development can be embedded in general systems theory as a management and structural science (Jiljov,A, V.Marinov1998).

In practice, in the conceptual apparatus of systems analysis, the central place belongs to the concept of system itself. There are a number of definitions, both qualitative, verbal and formalised. For the purposes of regional development, we can assume that a system is a complex of elements in interaction and add that it is a set of objects together with the relationships between the objects and between their attributes. This largely allows us to assume that **the regional system is a combination of objects with consistent interrelations, which gives new qualities: integrity, autonomy, sustainability and, above all, the functional. The objects or the set of objects performing a function in the system are defined as elements of the system.** This gives us a reason to assume in regional development that the system is defined as a set of elements with relations and connections between them, forming a certain integrity and thus define the need to bring out regional development as a new scientific field with a systemic character (Dokova, S. K.Petrov 2015),.

In this direction, regional development is called upon to derive an overall integral assessment of municipalities and localities. Since indicators are generally measured in different units and on different scales, in order to have comparability between them they must be aligned on the same scale, while maintaining the ratios between them. The step involves removing outliers and normalising the values. Normalisation is done in two different ways for municipalities and localities. The use of different normalisation methods takes into account the specificity and effect sought for the further application of the assessment and the category of municipalities and localities. For each indicator, values lying outside the range are identified for the whole group of sites. Values lying outside the range are replaced by the value of the nearest limit. In the field of regional development territorial systems are the objects of material production, non-productive sphere and demographic resources. In this case, the population and the objects of the service sphere are referred to the social, and the objects of the extractive and processing sphere - to the economic elements of the systems (Kolev, B. 2008). This, in turn, makes it necessary to relate the results to *unit vectors*. In this method, all natural indicators transform each other into values between 0 and 1, taking the lowest value for criteria with positive impact and the highest value for criteria with negative impact as 0.

$$d_{ij} = \frac{c_{ij} - c_{j\min}}{c_{j\max} - c_{j\min}} - \text{for a criterion with a positive (incentive) impact}$$

$$d_{ij} = \frac{c_{j_{\max}} - c_{ij}}{c_{j_{\max}} - c_{j_{\min}}} \text{ - for a criterion with a negative (retention) impact}$$

$d_{ij}$  - result value of a natural indicator

$c_{ij}$  - natural values

$c_{j_{\max}/\min}$  - maximum and minimum of criterion  $j$  in municipalities

As a result of using the method, a result matrix is obtained in which each row represents values of indicators for one municipality. After normalization, each of them has a value between 0 and 1.

$$D = \begin{bmatrix} d_{11} & d_{12} & \dots & d_{1n} \\ \dots & \dots & \dots & \dots \\ & & d_{ij} & \\ d_{m1} & & & d_{mn} \end{bmatrix}$$

In this direction, in the field of regional development, we assume the spatial system and its structures to be considered as a whole and as parts of this whole within limits that appear as functions of the development process of this whole. Boundaries play your role in the formation of the system and its structures. A change in boundaries occurs when the state of the system changes. In regional development for territorial systems, analysis of distances, directions, spatial concentration is mandatory.

In this sequence, in a theoretical sense, regional development provides an opportunity to study the changes in the regional economy through the analysis of price dynamics, unemployment, etc., and at the same time, from a functional point of view, to devise solutions and strategies for the implementation of policies of influence by the government on the national space in its entirety and specificity of its regional variations and peculiarities. This makes it necessary to look for solutions to derive regional indicators for localities. Thus, we assume that it is possible to analyse data for individual localities by the *Z-transformation method (alignment with averages and their deviation)*. Briefly, the method uses the following transformation from primary (natural) data to normalized data:

$$D = \frac{C - \mu}{\sigma} \quad d_{ij} = \frac{c_{ij} - \mu}{\sigma}$$

$C$  - matrix of natural (primary) data

$D$  - matrix with normalized values

$c_{ij}$  - initial values (natural)

$\mu$  - average

$d_{ij}$  - normalized (transformed) values

$\sigma$  - standard (quadratic) deviation

As a result of using the method, a result matrix  $D$  is obtained, in which each row represents values of indicators for one locality. After applying this normalization method, positive values of  $d_{ij}$  are obtained for natural values above the population mean, and negative values for those below the mean.

$$D = \begin{bmatrix} d_{11} & d_{12} & \dots & d_{1n} \\ \dots & \dots & \dots & \dots \\ & & d_{ij} & \\ d_{m1} & & & d_{mn} \end{bmatrix}$$

Through this approach, we can see to what extent the outlined measures have the same "territorial projection" and therefore coordination of sectoral policies and actions<sup>2</sup>, in the third - as a component of the overall national development policy, in the fourth - as a separate stand-alone policy. In practice, the determination of the assessment goes through the determination of scores for each of the criteria or the formation of an overall integral score. However, the question of the delimitation of this system is still open. In geographical systematisation, the term 'hiatus' is used, meaning a break, a jump in the series of comparable indicators and attributes. It is the presence of a hiatus that makes it possible to precisely define the boundary of the objects in the taxonomy - class, type, taxon. For this purpose we will use the integral coefficient of structural differences. When comparing more than two systems simultaneously, the relative shares are given for each of them. In this case we will compare the differences /or similarities/ between the sectoral structure /primary, secondary and tertiary/ at the level of districts and municipalities. The coefficients of differences /or similarities/ are found empirically. The relative shares of the three sectors of the economy are computed sequentially, the differences between the relative shares are found. The squares of the differences between the relative shares are then related to the sum of the squares of the relative shares, rooting everything.

Taking into account that the coefficient of structural disparities is in the theoretical range from 0 to 1 /or from 0 to 100%/ it is possible to estimate the extent of disparities between the sectoral structure of the 10 districts or municipalities. Looking at it dynamically, it is possible to see to what extent the compared structures are converging or diverging. Comparing the divergence rates over a period of years will characterise, in concrete numerical terms, the processes of narrowing or widening divergence in regional structures. Those municipalities having similar indicators or small differences and approaching the centre of the system will be included in the study object and will delineate its boundaries and its territorial extent. In practice, this creates the conditions regional development to be presented as a manageable set of measures by local and regional authorities to improve the quality of life of the population and to create conditions for business development.

In this direction, we should also pay attention to the derivation of an assessment in which the strengths and weaknesses and the specificity of each object are manifested. It is also particularly important for the balanced and controlled participation of each criterion in the final evaluation. The weight of each indicator is determined according to whether it is primary or complementary. Core indicators are given twice the weight of complementary indicators. Each community has specific local conditions that enhance or detract from the potential for local economic development, and it is these conditions that determine a community's relative advantages in terms of its ability to attract, create and retain investment(. The economic, social and physical characteristics of the municipality guide the development and implementation approaches of the local economic development strategy. Good practice demonstrates that to build a strong local economy, each community must clarify the nature and structure of the local economy in a collaborative process and undertake an analysis of local strengths, weaknesses, opportunities and threats. This highlights the most important issues and opportunities for the local

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<sup>2</sup> Similar differences can be observed in other countries and are reflected, for example, in the following definitions: 'Regional development policy refers to the local manifestation of regional policy - the institutions, laws and actions that promote local participation and economic innovation at the sub-national level. Regional policy refers to the legal and institutional framework itself and to the interaction of sectoral policies and regional institutions at the national level (Hudak, 1999). A noteworthy comment on this issue is one of the comments of the NIRP (1999): "... part of regional policy is implemented through the coordination of sectoral policies ... and another part through a separate budget ..."

economy and the sphere of influence of the major centres and their adjacent areas. Active analysis of the economic base helps municipalities to clarify opportunities and barriers to growth and investment (Karastoyanov, St. 2010). Through regional development, municipalities have the opportunity to take steps to expand the economic and employment base by developing and implementing strategic programs and projects that will remove barriers and facilitate investment. In our case, a weighted average formula (integral scores method) of the individual scores  $d_{ij}$  of the values of the selected indicators for it is used.

$$F_{ki} = \sum_{j=1}^n w_j d_{ij}$$

Where:

$F_{ki}$  -value of the integral score for municipality  $i$  on selected criteria  $k$

$k$  - criterion number (internal)

$i$  - municipality number (internal)

$j$  - indicator number (internal to the criterion)

$n$  - number of indicators (for the respective criterion)

$d_{ij}$  - converted value of a natural indicator

$w_j$  - weighting factor for indicator  $j$

Thus, at the end of this step for each municipality or locality, as many scores as criteria are obtained. The values of the scores for each criterion depend on the number of indicators used. In order to eliminate the influence of different numbers of indicators included in the criteria, these scores are scaled by weighting factors. This provides us with a basis to look for opportunities to define approaches to manage regional development, as well as to implement the functional linkages through which the territorial economic system functions. To a large extent, in spatial terms, it is necessary to look for a real definition of approaches to the individual components in the territorial community. In our case, we will approach the *definition of integral (complex) valuations* using two different methods for municipalities and localities. In the first case, we will focus on balanced development in each of the criteria. Using a geometric mean in terms of the integral scores  $F_{ki}$  for the five criteria allows municipalities with balanced scores on the five criteria to score higher than others with similar characteristics but with unbalanced scores on the criteria used. The overall integral score is calculated as the **geometric mean** of the individual  $F_{ki}$  scores of the criteria ( $k=1 \div 5$ )

$$O_i = \sqrt[5]{F_{1i} \cdot F_{2i} \cdot F_{3i} \cdot F_{4i} \cdot F_{5i}}$$

Where:

$O_i$  -value of the integrated assessment for municipality  $i$

$F_{ki}$  -value of the integral score for municipality  $i$  on criterion  $k$ ,  $k=1 \div 5$

$i$  - municipality number

$k$  - number of criteria

5 - number of criteria (five for municipalities)

At the end of this step, an integral score is obtained for each municipality. It is used in the next steps in forming groups (clusters) and determining the category of the municipality. Assuming that integral problems determine the nature of the process behaviour of territorial systems, this means that the first

starting point is to determine the signs of the problems at the relevant territorial levels - regional, subregional and local.

On the basis of the typological classification covering all territorial systems at the same time, types of systems by similar features and qualities emerge. On the other hand, however, municipalities are composed of several localities. This predetermines the derivation of the corresponding patterns in them in order to analyze the settlements themselves, which in recent years has not been the subject of analysis for the state of regional development. Thus, in our approach, the settlements come to the fore as a second element. In these, the accumulation of qualities is more important, and the absence (weaker scores on some of them) cannot be taken as a decisive factor. Under these assumptions, the use of an average of the  $F_{ki}$  integral scores for the criteria to obtain the final score is more appropriate to account for accumulated qualities rather than missing ones. This is also the major deficit of regional development in Bulgaria, because the advantages between comparable territorial communities are highlighted instead of looking for their deficits. This is surmountable once it is calculated as an average of the individual scores  $F_{ki}$  of the criteria

$$O_i = \left( \sum_{k=1}^4 F_{ki} \right) / 4$$

Where:

$F_{ki}$  -value of the integral score for municipality  $i$  on criterion  $k$  ( $k=1 \div 4$ )

$i$  - municipality number

further analyse the integral score obtained at the end of this step for each settlement. This implies forming groups of settlements of different ranks and determining the settlement category. This step is particularly important and specific in terms of the effect of the results of using the apparatus for categorising municipalities and localities. By outlining the prevailing type of processes, the characteristic common problems can also be identified. The regional approach is directly linked to the process of globalisation in all spheres of societal development. New spatial economic and urbanisation structures are emerging and increasingly becoming manageable territorial systems. This implies the necessity of a methodology that includes two ways of forming groups according to the way of its concrete application - as a first determination of categories or monitoring (observation), or updating the categorization. The first way involves a purely analytical solution without taking into account the fact that there are existing statutory categories for municipalities and localities. The second approach aligns the proposed solutions with existing categories<sup>3</sup>. We assume that an analytical definition of groups and categories can be used when defining groups and categories without considering existing regulations regarding categorization. For the formation of categories (groups) a two-stage cluster analysis applied on the resulting integral score is used. This necessitates the application of two steps, firstly by pre-grouping the objects into a large number of small groups and then by aggregating the 're-groupings' into the given number of groups. In the first step, when assigning objects to a group, the maximum proximity of the objects is sought. A minimum standard deviation is sought for each object from the group mean. In the second step (grouping), in addition to the closeness of the scores, a proportional characteristic is sought between the

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<sup>3</sup> The only starting point in this method is the requirement that the municipalities be categorized into 5+1 categories (0 for Sofia Municipality and 1 to 5 for all others), the settlements into 8+1 categories (0 for Sofia and 1 to 8 for the rest of the settlements) based on the calculated integral score ( $O_i$ ) according to the set of criteria and indicators postulated by Council of Ministers Decision No. 921 of 2011.

number of objects falling into the groups. Thus, regional development has an economic component and this is mainly determined by economic zoning. Under the new conditions, this approach means that specific regional programmes can and should be 'tied' to well-defined areas that are relevant in terms of economic and social development. This, in turn, requires a vertical disaggregation of the regions in order to reveal the degree of economic linkages between them, to identify the areas of gravity and the role of large settlements and individual settlement structures in their functioning, and to carry out a typology depending on the objectives of regional policy (Patarchanov, P. 2005).

Of particular importance in this aspect is the proper typification and functioning of regions based on the concept of pole development in accordance with national and regional specificities. The formation of groups and the definition of categories in line with existing categories approach takes into account the fact that there are already statutory categories for municipalities and localities. In this case, there are certain limiting conditions in terms of the distribution (in terms of relative share) of the sites in the respective categories on the one hand and, on the other hand, the already defined categories of municipalities and localities. These constraints imply a modified approach in determining the membership of each site in the relevant category. These prerequisites mainly have the following influence on the method of dividing and grouping sites. In practice, this means pursuing a forward-looking regional policy, mainly by observing the principles of efficiency in the development of the investment and economic components of regional policy. In the vertical section, the global, national and local levels are used, while the distinction between territorial systems in the horizontal section is made by searching for the territorial boundaries of the thresholds defining the characteristics of one or another section of the earth's surface and territorial communities. This gives us the basis to define the possible practical-applicational field of our research and analyses (Tsonkov N, 2021). The essence of the feedback principle consists in the fact that any deviation in the control system from the set state becomes a source for a new movement aimed at creating equilibrium. The feedback principle is a fundamental principle of control, a necessary condition for the information interaction between its subsystems.

### **CONCLUSION**

In conclusion, regional preferences and practical indicators for assessment and analysis and regional development should help us to highlight the specificities and focus of the areas with the highest development potential as well as those in need of specific policies. By deriving passported data and indicators for monitoring and evaluation, it enables us to implement measures including regional aid for critical areas and the implementation of specific policies. This means supporting and prioritising the development of areas that can become locomotives of progress and development, as well as vital projects in areas with exceptional difficulties, with the appropriate dosage of infrastructure, economic and social measures. At the same time, creating the conditions for the revival of others or the preservation of others that may fall into decline. In this sense, regional development characterises the pattern or pattern of development of the country as a whole, but highlighting the respective needs of local specific policies within the national space. This implies a significant level of decentralisation and actual management of regional development, so that - for each individual territorial community - the appropriate autonomous space can be identified to realise the potential and comparative advantages for better participation in national and international markets within the global framework of the national development strategy. The combination of vertical and horizontal hierarchy of the territorial systems studied by regional

development enables it to participate creatively in governance and planning at different levels and territorial configurations. This implies that regional development can be perceived as a system in which there are marked sectoral linkages that create the condition for its functionality.

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## DEVELOPMENT OF INFRASTRUCTURE POLICIES AND THE EUROPEAN UNION AND BULGARIA'S OPPORTUNITIES FOR BETTER CONNECTIVITY

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### ABSTRACT

This article is devoted to connectivity issues within the European Union. The main aspects of this policy are the development of the regions of the Union and the improvement of accessibility and connectivity between the individual members. In this direction, we address the foregrounded philosophy of the need to build this connectivity and improve the level of interaction within the EU. The focus of assessment and analysis is the imposition of the TEN-T network model, which has as its foundation nine transport corridors within the EU. On the other hand, solutions are given to improve the network as the authors embed the need of the South East European countries to be able to have better connectivity and no regions to be disadvantaged. Relevant proposals are made that set a new greener vision for the development of these regions within the framework of the pan-European area. Relevant conclusions and options for the efficient development and rational use of the European transport network are outlined.

**KEYWORDS:** development, space, territory, transport, connectivity, cohesion, mobility, accessibility

### ABSTRAKT

Dieser Artikel befasst sich mit Fragen der Konnektivität innerhalb der Europäischen Union. Die Hauptaspekte dieser Politik sind die Entwicklung der Regionen der Union und die Verbesserung der Zugänglichkeit und Konnektivität zwischen den einzelnen Mitgliedern. In dieser Richtung befassen wir uns mit der in den Vordergrund gestellten Philosophie der Notwendigkeit, diese Konnektivität aufzubauen und das Niveau der Interaktion innerhalb der EU zu verbessern. Der Schwerpunkt der Bewertung und Analyse liegt auf der Einführung des TEN-V-Netzmodells, das auf neun Verkehrskorridoren innerhalb der EU basiert. Andererseits werden Lösungen zur Verbesserung des Netzes aufgezeigt, da die Autoren das Bedürfnis der südosteuropäischen Länder nach einer besseren Konnektivität und der Vermeidung von Benachteiligungen der Regionen berücksichtigen. Es werden einschlägige Vorschläge gemacht, die eine neue, grünere Vision für die Entwicklung dieser Regionen im Rahmen des gesamteuropäischen Raums darstellen. Es werden einschlägige Schlussfolgerungen und Optionen für eine effiziente Entwicklung und rationelle Nutzung des europäischen Verkehrsnetzes dargelegt.

**STICHWORTE:** Entwicklung, Raum, Gebiet, Verkehr, Konnektivität, Kohäsion, Mobilität, Zugänglichkeit

### RÉSUMÉ

Cet article est consacré aux questions de connectivité au sein de l'Union européenne. Les principaux aspects de cette politique sont le développement des régions de l'Union et l'amélioration de l'accessibilité et de la connectivité entre les différents membres. Dans cette optique, nous abordons la philosophie mise en avant de la nécessité de construire cette connectivité et d'améliorer le niveau



d'interaction au sein de l'UE. L'évaluation et l'analyse se concentrent sur l'imposition du modèle de réseau RTE-T, qui repose sur neuf corridors de transport au sein de l'UE. D'autre part, des solutions sont proposées pour améliorer le réseau, les auteurs soulignant la nécessité pour les pays d'Europe du Sud-Est d'avoir une meilleure connectivité et qu'aucune région ne soit désavantagée. Des propositions pertinentes sont formulées qui définissent une nouvelle vision plus verte pour le développement de ces régions dans le cadre de la zone paneuropéenne. Des conclusions et des options pertinentes pour le développement efficace et l'utilisation rationnelle du réseau de transport européen sont esquissées.

**MOTS-CLÉS:** développement, espace, territoire, transport, connectivité, cohésion, mobilité, accessibilité

## INTRODUCTION

Transport is vital to Europe's economy: without good connections, Europe will not grow or prosper. The EU's new infrastructure policy will create a powerful European transport network across 28 Member States to promote growth and competitiveness. It will link East to West and replace today's transport patchwork with a network that is truly European. Progress has been made in recent years to improve travel links between the West and the East of Europe. East-West links, which were completely or partially missing or limited to certain modes of transport, are now integrated into the new TEN-T network. Within the framework of scientific representation, the new TEN-T core network is supported. In practice, it was supposed to build on the X European transport corridors, but these have not been completed and remain entire white spots in the European transport system. It is necessary to emphasise that Europe needs a comprehensive network of routes feeding into the core network at regional and national level. The aim is to gradually ensure that by 2050 the majority of European citizens and businesses will be no more than 30 minutes away from this comprehensive network. This predetermines the main objective of the paper is to outline the need for a new infrastructure policy for Europe. On the basis of the stated objective, the main tasks for transport are to provide a major contribution to an efficient European economy. To meet the increased demand for new routes for freight transport, which is expected to grow by 80% by 2050 and passenger transport by more than 50%. A third task is to strengthen regional consumption and trade in order to have access to quality goods and services throughout the European Union. These tasks are also in line with the emerging group of problems regarding transport accessibility within the European Union. In practice, there are entire regions that are missing links, particularly in cross-border sections, which are a major obstacle to the free movement of goods and passengers. In the period up to 2020, it appears that there is a significant disparity in the quality and availability of infrastructure between and within Member States within the EU . In particular, the East-West links outlined require significant improvement and new needs are emerging in the North-South direction. Transport infrastructure between modes is fragmented. As regards the creation of multimodal connections, many of Europe's freight terminals, passenger stations, inland ports, seaports, airports and urban hubs are not up to the task. As these hubs lack multimodal capacity, the potential of multimodal transport and its ability to remove infrastructure bottlenecks and bridge missing links is underutilised. To a large extent, the decisions of Crete in 1994 and Helsinki in 1997 to build the European transport corridors remained half realised, and in some countries up to 30% complete. In the post-2011 period, more targeted investment in transport infrastructure has started to be strongly considered

([https://ec.europa.eu/commission/presscorner/detail/en/IP\\_14\\_988](https://ec.europa.eu/commission/presscorner/detail/en/IP_14_988) (IP/14/988). The aim is that investments in transport infrastructure should contribute to achieving the targets of reducing GHG emissions in transport by 60% by 2050. In Eastern European countries this is difficult to realise because individual countries are high risk management and still maintain different operational rules and requirements, in particular in the area of interoperability, which significantly increase the barriers and bottlenecks for transport infrastructure. All this leads to important decisions within the European Union.

## RESULTS AND DISCUSSION

***A new vision for pan-European transport policy and development.*** In the past, transport systems in Europe developed mainly on a national basis. This has led to poor or missing transport links at borders or along key corridors. Poor transport links hamper economic growth. Since the 1990s, the TEN-T policy has directed EU money to support the development of key European infrastructure projects, mainly along the 10 European transport corridors, as well as building up national transport systems. Of course, there have been certain successes, but also significant imbalances and gaps in the construction of connectivity (The future development of the common transport policy", COM(1992) 0494, 2.12.1992; "European transport policy for 2010: time for decisions" (COM(2001) 0370), 12.9.2001; "Roadmap to a Single European Transport Area - Towards a competitive and resource efficient transport system" (COM(2011) 0144), 28.3.2011). However, given in particular the difficult period from 1994 to 2011, there is a need to redirect EU transport spending to where it provides maximum added value - to create a strong core European network. The European institutions clearly understand the need for the free movement of people and goods across the internal borders of the European Union (EU). This is a fundamental and essential freedom for the EU and its single market. Travel within the EU has led to greater cohesion and a stronger European identity. Representing the second expenditure item of the European household. The path of further development and focus towards a new look at transport infrastructure is intensifying as more members join the union. Thus, there is talk of creating a new network to provide the necessary transport accessibility. In 2013, a decision was taken to build the Trans-European Transport Network (TEN-T), which was in fact designed according to the objective [methodology](#) of [Regulation \(EU\) No 1315/2013](#). The core network includes the most important links connecting major cities and nodes and is to be completed by 2030 (Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the mid-term evaluation of the Connecting Europe Facility (CEF), SWD(2018) 44 final, COM(2018) 66 final of 14.2.2018). It must meet the highest standards of infrastructure quality. The new TEN-T guidelines go much further than before in terms of specifying the requirements, including the wide-area network, so that over time - looking ahead to 2050 - the network creates an opportunity to come together in terms of fully interoperable and efficient standards, for rail, water transport, electric cars, etc. Freight terminals should be connected to the road infrastructure or, where possible, to the inland waterway infrastructure of the wide-area network. The trans-European transport network should be developed through the construction of new transport infrastructure, the rehabilitation and improvement of existing infrastructure and measures to promote the efficient use of resources. In specific cases, due to the lack of regular maintenance in the past, rehabilitation of railway infrastructure is necessary. Rehabilitation is a process that results in the restoration of the design parameters of the existing railway infrastructure facilities, in combination with a long-term improvement of its quality compared to its current state in accordance with the requirements

and regulations of the European Union (EU) requirements. The focus has now shifted from individual projects to the creation of a major network of strategic corridors that will link East and West and all corners of a vast geographical area - from Portugal to Finland, from the coast of Scotland to the shores of the Black Sea. East-West links are a central priority for the EU's new infrastructure policy. In terms of funding, at least €11.3 billion has been earmarked for cohesion policies, but the Global Gateway Countries initiative has earmarked much more for connectivity (Global Gateway: up to €300 billion for the European Union's strategy to promote sustainable connections around the world". EU Commission. Accessed 5 December 2021. [https://international-partnerships.ec.europa.eu/news-and-events/news\\_en](https://international-partnerships.ec.europa.eu/news-and-events/news_en)). This is an opportunity to provide additional support for investment in key East-West links. The nine corridors will be used to implement the core network. Each of the core network corridors should include three modes, three Member States and two cross-border sections. Of the nine core network corridors, 7 have a real East-West dimension: Baltic-Adriatic Sea, North Sea-Baltic Sea, Mediterranean Sea, Orient/East Mediterranean, Atlantic, North Sea-Mediterranean Sea, Rhine-Danube. In practice, we can already see that in the future corridors with multimodal connections will stretch from east to west and from the geographically peripheral regions to the centre of the EU (New EU transport infrastructure policy - background information. Accessed 22.08.2023)

**Structuring the new European trans-regional corridors in the EU.** The core network corridors should also be oriented towards wider transport policy objectives and facilitate interoperability, the integration of different modes of transport and multimodal operations. This should create the conditions for the creation of dedicated corridors that are optimised in terms of emissions, thereby minimising environmental impact and increasing competitiveness, and that are attractive for their reliability, limited congestion and low operational and administrative costs (<https://publications.europa.eu/resource/cellar/f277232a-699e-11e3-8e4e-01aa75ed71a1> .0001.01/DOC\_1 (Official Journal of the EU, p. 348/5 ). The corridor approach should be transparent and clear and the management of these corridors should not lead to an excessive increase in administrative burdens or costs. The innovation of the European transport network is that, in addition to the introduction of nine corridors to be implemented in the core network, each corridor should include three transport modes, three Member States and 2 cross-border sections. The European Union structures stress that "The new instrument for the implementation of the trans-European transport network, namely the core network corridors, is a powerful tool to unleash the respective potential of stakeholders, to foster cooperation between them and to strengthen complementarity with Member States' actions (European Commission, "Transport in the European Union: current trends and challenges - 2018", pp. 12-19. ). At regional and national level, what we call the comprehensive network will be fed by the core network. This comprehensive network is an integral part of the TEN-T policy. This will largely be managed by the Member States themselves with a smaller share of available funding under the CEF and, of course, under regional policy. This is subsidiarity in action. The following European transport corridors are thus identified.

The first corridor is the Baltic-Adriatic corridor. It is one of the most important trans-European road and rail axes. It connects the Baltic Sea with the Adriatic Sea via industrialised areas between southern Poland (Upper Silesia), Vienna and Bratislava, the Eastern Alpine region and northern Italy. It includes important railway projects such as the Semmering base tunnel and the Koralm railway line in

Austria and cross-border sections between PL, CZ and SK. Second is the North Sea-Baltic Sea corridor. It connects the ports on the east coast of the Baltic Sea with the ports on the North Sea. The corridor will link Finland with Estonia by ferry, providing modern road and rail transport links between the three Baltic states on the one hand and Poland, Germany, the Netherlands and Belgium on the other. Between the river Odra and the German, Dutch and Flemish ports, it also includes inland waterways such as the 'Mittelland-Canal'. The most important project is the "Rail Baltic", a railway with European standard gauge between Tallinn, Riga, Kaunas and north-eastern Poland. Third is the Mediterranean Corridor connecting the Iberian Peninsula with the Hungarian-Ukrainian border. It follows the Mediterranean coasts of Spain and France, crossing the Alps to the east through northern Italy, leaving the Adriatic coast in Slovenia and Croatia to Hungary. Apart from the Po River and some other canals in northern Italy, it consists of road and rail transport. The key rail projects along this corridor are the Lyon-Torino links and the Venice-Ljubljana section. A fourth corridor is in the Orient/East Mediterranean direction, which links the maritime interfaces of the North, Baltic, Black and Mediterranean Seas, optimising the use of the respective ports and their associated maritime highways. By including the Elbe as an inland waterway, it will improve multimodal connections between Northern Germany, the Czech Republic, the Pannonian region and South-Eastern Europe. It stretches across the sea from Greece to Cyprus.

A fifth corridor includes the Nordic-Mediterranean route. It is a key north-south axis for the European economy. Crossing the Baltic Sea from Finland to Sweden and passing through Germany, the Alps and Italy, it links the major urban centres and ports of Scandinavia and northern Germany to continue with the industrialised high-productivity centres of southern Germany, Austria and northern Italy onwards to Italian ports and Valletta. The most important projects in this corridor are the Fehmarnbelt fixed crossing and the Brenner Base Tunnel, including their access routes. It stretches across the sea from southern Italy and Sicily to Malta.

The sixth European corridor is the Rhine-Alps. It is one of the busiest freight routes in Europe, connecting the North Sea ports of Rotterdam and Antwerp with the Mediterranean basin at Genoa, via Switzerland and some of the main economic centres in the Rhine-Ruhr, Rhine-Main-Neckar regions and the conurbation of Milan in northern Italy. This multimodal corridor includes the Rhine as an inland waterway. Key projects are the base tunnels, already partially completed, in Switzerland and their access routes in Germany and Italy. Seventh is the Atlantic Corridor, which connects the western Iberian Peninsula and the ports of Le Havre and Rouen with Paris and further with Mannheim/Strasbourg, with high-speed rail and parallel conventional, including the Seine as an inland waterway. The maritime dimension plays a crucial role in this corridor.

The eighth corridor includes the North Sea-Mediterranean Sea. It stretches from Ireland and the north of the United Kingdom through the Netherlands, Belgium and Luxembourg to the Mediterranean in the south of France. This multimodal corridor, including inland waterways in the Benelux and France, is intended not only to offer better multimodal services between the North Sea ports, the Maas, Rhine, Scheldt, Seine, Saône and Rhône river basins and the ports of Fos-sur-Mer and Marseille, but also a better connection between the British Isles and mainland Europe. Ninth is the Rhine-Danube corridor, with the backbone of the main and Danube waterway, connecting the central regions around Strasbourg and Frankfurt through southern Germany to Vienna, Bratislava, Budapest and finally the Black Sea, with an important branch from Munich to Prague, Žilina, Košice and the Ukrainian border (Regulation (EU) No

1315/2013 of the European Parliament and of the Council of 11 December 2013 on Union guidelines for the development of the trans-European transport network and repealing Decision No 661/2010/EU Text with EEA relevance OJ L 348, 20.12.2013, p. 1-128.)

The implementation of these corridors should be completed by 2030, with all modes of transport on them being built by 2050, as possible of course. The basic principle, which has been adopted by the European Union, is that every country should be able to benefit from accessing the transport network that has been built. This makes combined financing possible in the construction of individual projects. In addition, however, it is necessary that all routes are interoperable throughout the network and with similar technical requirements. For example, this means that ERTMS (European Rail Traffic Management System), the main ITS systems for train control, must be implemented everywhere. Similarly, road safety standards in terms of tunnel safety requirements and road safety requirements should be applied throughout the network, and ITS (Intelligent Transport Systems) technology should be merged (OECD, Strategic Transport Infrastructure Needs to 2030: Main Findings, OECD Publications, Paris, 2011, p. 4). Also, if there are future charging infrastructure points for electric vehicles to be built, logically they should meet common standards so that cars can use them across the network.

### An image of the nine EU European transport corridors



Source: [https://ec.europa.eu/transport/themes/infrastructure/ten-t\\_en](https://ec.europa.eu/transport/themes/infrastructure/ten-t_en).

***Trends in the Single European Transport Area.*** The creation and development of the Single European Transport Area is the result of the findings noted in the 2011 White Paper. In practice, the Transport White Paper also sets out the new needs for European transport policy. Fostering convergence, reducing regional disparities and improving connectivity and access to the internal market for all regions remain of strategic importance for the EU. An important factor is to improve mobility, but at affordable prices for all, to make rural areas and remote regions better connected and accessible to people with reduced mobility and people with disabilities, and to ensure that the sector offers good social conditions and retraining opportunities and provides attractive jobs. The European Pillar of Social Rights is a kind of EU 'beacon' to ensure that the green and digital transition is socially acceptable and fair (European Commission, "A European Strategy for Low Emission Mobility", COM(2016) 501 final, 20.7.2016). Policies are needed to transform the transport sector into a truly multimodal service system for sustainable and smart mobility. The shortage of congestion infrastructure, in particular of domestic multimodal terminals, is pronounced in some parts of Europe and should be addressed as a matter of urgency. Missing links in multimodal infrastructure should be filled. In addition, the transport system as a whole should operate more efficiently with the help of advanced congestion technologies. The EU needs data exchange on multimodality as well as intelligent traffic management systems for all modes of transport. To achieve this, Europe should build a high quality transport network with high-speed short-distance rail services and green aviation services that improve the coverage of long-distance routes. In order to support the achievement of environmentally friendly freight operations in Europe, the existing framework for intermodal transport needs to be significantly renewed and made into an effective tool (See ECA Special Report No 23/2018 "Air pollution - our health is still not sufficiently protected" (<http://eca.europa.eu>)). Options should be considered to revise the regulatory framework, such as the Combined Transport Directive, and to introduce economic incentives for both operations and infrastructure. Incentive mechanisms should be based on impartial performance monitoring in line with a European framework for measuring transport and logistics emissions. Multimodal logistics should be part of this transformation in urban areas and beyond. The growth of e-commerce has significantly changed consumption patterns, but the external costs of millions of deliveries must be taken into account, including the reduction of empty and unnecessary journeys. Sustainable urban mobility planning should therefore also include the freight dimension through dedicated sustainable urban logistics plans (European Parliament, Resolution of 19 January 2017 on EU logistics and multimodal transport in the new TEN-T corridors (2015/2348(INI)), paragraph 13). These plans will accelerate the deployment of already available zero-emission solutions, including cargo bikes, automated deliveries and drones, and better use of inland waterways in cities. Significant progress is needed on efficient charging for infrastructure use, especially in road transport. This is key to internalising the costs of damage to infrastructure, but it is also imperative to meet the costs to society of pollution and congestion. The Commission urges the European Parliament and the Council to act on the Commission's proposal to amend the Eurovignette Directive in order to realise the ambitions set out in the European Green Pact (Europe on the Move - An Agenda for a socially just transition to green, competitive and connected mobility for all, COM(2017) 0283 final). Intelligent distance-based charging with different rates for vehicle type and time of use is an effective tool to promote sustainable and cost-effective choices, traffic management and reduce congestion. The digital transformation of the transport and mobility sector requires additional efforts related to data availability, access and sharing. Currently,

these are often hampered by unclear regulatory conditions, lack of an EU market for data provision, lack of obligation to collect and share data, incompatible tools and systems for data collection and sharing, different standards or concerns about data sovereignty. The availability of data and statistical information is also essential, in particular real-time data, as it enables better services for citizens or transparency in freight transport supply chains (EC (2018), "EU Transport in Figures - Statistical Handbook 2018" [https://ec.europa.eu/transport/facts-fundings/statistics/pocketbook-2018\\_en](https://ec.europa.eu/transport/facts-fundings/statistics/pocketbook-2018_en)). In addition, infrastructure must be adapted to climate change and made resilient to disasters. The Commission will address this issue both in the TEN-T review and in the climate change adaptation strategy, including through specific guidance on climate resilience. At the same time, the ongoing digital transformation is creating new opportunities, such as improved working environments and quality jobs that could become more attractive to women and young people. A credible way to achieve a just transition for transport workers is therefore needed. Stakeholders in the transport sector should also create additional vocational training opportunities, become members of the European Vocational Training Alliance and actively participate in the European Skills Week.

**Opportunities for building new routes through Bulgaria.** Improving connectivity within the TEN-T network is also very important for the Balkan countries because it will help to form new regional markets and form a cooperative community (75 COM(2020) 562 final, "Stepping up Europe's 2030 climate ambition: Investing in a climate neutral future for the benefit of our citizens"). In this direction, it is most realistic to work towards creating connectivity in at least three Balkan countries. Including my views between Romania-Bulgaria-Greece to abolish border controls and form the backbone of a free economic space in the Balkans. But this can become real when new transport connectivity is created with improved links within the region. Along the lines of the flagship corridor, the Orient/East Mediterranean Corridor, which links the maritime interfaces of the North, Baltic, Black and Mediterranean Seas by optimising the use of the respective ports and their associated maritime highways. By including the Elbe as an inland waterway, it will improve multimodal connections between Northern Germany, the Czech Republic, the Pannonian region and South-Eastern Europe. It stretches across the sea from Greece to Cyprus. For more effective integration, we propose a branch of this corridor starting at Timisoara in the following route. **Start:** Timisoara- Foeni (BCP Romania) - Modos (BCP Serbia) - Pančevo - Kovin- Danube Bridge- Smedrevo - Borski County - Zaičar- BCP Vraška Chuka (Bulgaria) - Kula - Makres - Dimovo-Montana- Vratsa- Cherven Bryag- Dolni Dabnik- Pleven - Lovech-Sevlievo- Gabrovo-Voneshta Voda- Gurkovo- Asenovets- Nova Zagora- Radnevo-Polsky Gradets- Topolovgrad- Radovets - New BCP Bulgaria - Turkey ( BCP Matochina (Bulgaria) and BCP Hatipköy ( Hatibovo) Turkey) - Bypass Edirne- Kavaklia- Hamitabat- Luleburgaz- Chorlu - Istanbul. To form and the corresponding branch in the direction Topolovgrad-Svilengrad- BCP Kapitan Petko Voyvoda - BCP Greece - Oriestiiada - Alexandroupolis- waterway to the port of Limassol (Cyprus). The establishment of this network will contribute to the EU's objectives of sustainable mobility, the proper functioning of the internal market and the economic, social and territorial cohesion of the EU. It will also boost cooperation between Bulgaria, Romania, Serbia, Greece and Turkey. Despite significant differences in transport infrastructure between these countries, the common approach is a chance for their future and an appropriate level of new connectivity that is sufficiently high and realistic (Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS). Thus, with the financial resources available

to Member States, they will also be better able to meet the investment needs for the development of the trans-European transport network. The Rhine-Danube corridor is also of interest for Bulgaria. It is defined in the areas around the rivers with the backbone of the main and Danube waterway, connecting the central regions around Strasbourg and Frankfurt through southern Germany to Vienna, Bratislava, Budapest and finally the Black Sea, with an important branch from Munich to Prague, Žilina, Košice and the Ukrainian border. For better connectivity, we propose a road branch starting at the city of Craiova in the following route. Start Craiova - Caracal - Turnu Magurele - Danube Bridge (Turnu Magurele-Nicopol) BCP (Romania-Bulgaria) - Debovo - Levski- Pavlikeni- Strazhitsa- Antonovo - Omurgat - Targovishte - Veliki Preslav- Radko Dimitriev- Provadia- Devnya- Suvorovo- Kalimantsi- Kumanovo-Obrochishte- Balchik- General Toshevo- BCP Kardam- BCP Romania- Karaomer- Medjidija- Karamurat(Romania)- Malyk Palaz- Badbag- Tulcea -Braila -Galac-Izmail(Ukraine). The revised proposal calls for linking the TEN-T network with Ukraine and the Republic of Moldova to the EU through the European transport corridors, which are highly strategic for the development of sustainable and multimodal freight and passenger transport flows in Europe.

In the last few years, work has also been carried out on new branches of the transport networks, mainly on connectivity from the European corridors of Crete and Helsinki. Such an interesting branching could be starting with Bucharest - Alexandria - Turnu Magurele- (bridge or ferry)- Nikopol - Pleven - Lovech - Troyan - Rozino-Hisarya -Sajedinie- Pazardzhik-Peshtera-Dospat- Gotse Delchev-Ilinden-Drama-Kavala- Alexandroupolis. Correspondingly, with a branch *Gotse Delchev- Sandanski- Petrich* - new BCP at Gabrene (Bulgaria) and BCP (North Macedonia) at Staro Konyarovo - Strumica-Valdanovo-Doiran - BCP (North Macedonia) - BCP (Greece) - Pataros- Kukush- Aivatovo- Kavala - Alexandroupolis. These routes will undoubtedly lead to increased cross-border cooperation between all neighbouring countries in the context of a targeted regional policy. In this sense, a common infrastructure - transport, industrial, civil and educational - must be built in order to stimulate development through the formation of a Balkan community and market. This also means designing a landlocked Black Sea ring including - Moldova, Ukraine, Bulgaria, Turkey and Greece. The beginning should be from Alexandroupolis- (BCP Kipoi and Ipsala (Greece-Turkey) - Ipsala -Sultan- Turkobashi-Havsa- Kyoseomer - Arizbaba- Enidjia - Lozengrad - Kofchaz- Malchokovo BCP (Turkey) - BCP (Bulgaria) - Strandja - Mamarchevo - Elhovo - Okop - Mogila - Straldzha - Mokren - Kotel - Omurtag - Targovishte - Hemus Highway - Aksakovo - Kichevo - Obrochishte - Balchik - Vrani - Zahari Stoyanovo - Border with Romania - Kopukchi (Romania) - Molivita (Romania) - Constanta - Tulcea - Braila - Reni (Ukraine). It is worth mentioning here that, in addition to road transport, it is also advisable to proceed with the construction of the the railway corridor "Thessaloniki-Kavala-Alexandroupolis-Macauza-Kardzhali-Dimitrovgrad-Yambol-Burgas-Varna-Ruse" with their extension through Romania to Bucharest and Constanta. Accordingly, from Constanta to Ukraine and Moldova, and from Bulgaria to *Constanta to double and electrify the railway line in the direction of Samuil station-Dobrich-Kardam-Constanta-Tulcea-Galaca-Bridge of the Danube - Ismail or Reni by achieving electrification and doubling, with a branch to Silistra*). This will improve the North-South connectivity ensuring the development of the territories of Romania, Bulgaria, Greece and Turkey. Some measures and projects that can be undertaken should receive funding for integrated territorial investments in border regions such as the Black Sea, Northern Dobrudja for Romania, etc. Formation of cross-border



clusters and business incubators with the idea of information exchange, technology transfer and other activities (EC (2018), "EU Transport in Figures - statistical pocketbook 2018).

### CONCLUSION

The development of the European transport system must be an essential task for all the countries of the European Union. Moreover, the realisation of the new 9 transport corridors necessarily goes through the construction of a sustainable European transport system, to which it must be intelligent, flexible and adaptable to the ever-changing patterns and needs of the transport sector. Here is the place to underline that transport infrastructure must be based on cutting-edge technological advances to ensure seamless, safe and secure connectivity for all European citizens. necessary to ensure homogeneous network planning, a sound modal balance and the interconnection of national networks and to contribute significantly to the objectives of TEN-T. Particular attention should be paid to an analysis of network density, which in principle corresponds to NUTS 2. This analysis and assessment of the road network can help us in urbanised areas and especially by connecting the main urban nodes as directly as possible and reflecting the spatial distribution of the population and of economic and industrial activities. Ensuring that minimum standards for infrastructure and equipment are met in accordance with relevant current legislation (e.g. rail interoperability, road safety tunnels, inland waterway categorisation). The construction of a reliable and continuous trans-European transport network (TEN-T) of high quality will ensure sustainable connectivity throughout the European Union, without physical disruptions, sections with insufficient capacity or missing links. The European transport network needs to have the necessary saturation of roads covering it to strategically represent the most important nodes and links of the trans-European transport network. Transport should demonstrate Europe's ingenuity and determination to lead the way in research, innovation and entrepreneurship and to drive the dual transition. These efforts can only be successful if there is sufficient commitment from all stakeholders, namely the European institutions, Member States and their authorities at all levels of government, stakeholders, businesses and citizens.

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## MARKETING STRATEGIES IN THE AGRICULTURAL SECTOR

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### ABSTRACT

This paper focuses on introducing the marketing strategies used in the agricultural industry. Marketing can be defined as a purposeful way of influencing the behavior of an organization to achieve pre-formulated goals. This influence is exercised through the management decisions taken, in the formulation of which modern agricultural organizations focus not on the internal environment but on its interactions with the external environment. In the 1950s, a significant shift in management thought and practice occurred in the management of business organizations with the emergence of the marketing concept of management.

**KEYWORDS:** marketing strategy, agriculture, marketing

### ABSTRAKT

In diesem Beitrag geht es um die Einführung von Marketingstrategien in der Agrarindustrie. Marketing kann definiert werden als eine gezielte Beeinflussung des Verhaltens einer Organisation, um vorformulierte Ziele zu erreichen. Dieser Einfluss wird durch Managemententscheidungen ausgeübt, bei deren Formulierung sich moderne landwirtschaftliche Organisationen nicht auf das interne Umfeld, sondern auf die Wechselwirkungen mit dem externen Umfeld konzentrieren. In den 1950er Jahren kam es mit dem Aufkommen des Marketingkonzepts in der Unternehmensführung zu einem bedeutenden Wandel im Managementdenken und in der Managementpraxis.

**STICHWORTE:** Marketingstrategie, Landwirtschaft, Marketing

### RÉSUMÉ

Ce document vise à présenter les stratégies de marketing utilisées dans l'industrie agricole. Le marketing peut être défini comme une manière délibérée d'influencer le comportement d'une organisation afin d'atteindre des objectifs préétablis. Cette influence s'exerce par le biais des décisions de gestion prises, dans la formulation desquelles les organisations agricoles modernes se concentrent non pas sur l'environnement interne, mais sur ses interactions avec l'environnement externe. Dans les années 1950, un changement significatif dans la pensée et la pratique de la gestion s'est produit dans la gestion des organisations commerciales avec l'émergence du concept de gestion marketing.

**MOTS-CLÉS:** stratégie de marketing, agriculture, marketing

### INTRODUCTION

The modern agricultural market is saturated with supply and competition is fierce. Under these conditions, improving the management of agricultural producing and marketing businesses is an important part of their business. (Borisov, 2015) defines the following interrelated directions in which management improvement takes place:

- 1) improvement of production and organizational-management structure;
- 2) improvement of management approaches and methods;
- 3) improvement of the information technology base for management;
- 4) improving the leadership style, social climate, etc.

These guidelines help to improve the quality of management, which results in the effective functioning of business organizations in agricultural sector. This paper focuses on introducing the marketing strategies used in the agricultural industry. According to (Borisov, Qerimi and Behluli, 2020) "Marketing can be defined as a purposeful way of influencing the behavior of an organization to achieve pre-formulated goals." This influence is exercised through the management decisions taken, in the formulation of which modern agricultural organizations focus not on the internal environment but on its interactions with the external environment. In the 1950s, a significant shift in management thought and practice occurred in the management of business organizations with the emergence of the marketing concept of management.

The economic literature defines marketing strategy differently. Here are the definitions given for it by some eminent marketing specialists.

According to (Borisov and Miladinovski, 2022), "marketing strategy defines the broad principles by which a business unit expects to achieve its marketing objectives in the target market. It consists of basic decisions about total marketing spend, marketing mix and marketing allocation."

According to (Nikolov, Boevsky, Borisov and Radev, 2020), "marketing strategy determines how the marketing structure is to be used to attract and satisfy target markets and achieve the organization's objectives."

(Nikolov, Borisov and Radev, 2014) states that, "marketing strategy describes how the firm should use its resources and strengths to exploit identified market opportunities and achieve distinct and sustainable competitive advantages."

The definitions listed highlight two main key concepts: the target market and the marketing objectives of the organization. On this basis, we can define marketing strategy as the expression of the ways and means used by the organization to satisfy its customers, which will lead to the achievement of its objectives. These means, according to (Borisov and Garabedian, 2020) represent the strategic decisions formulated in each of the four main areas known as elements of the marketing mix - product, price, distribution and promotion. But in addition to providing direction for the firm's marketing activities, the marketing strategy also coordinates the efforts of different functional areas, creating a basis for resource allocation. In his definition of marketing strategy St. These advantages can only be created if all company units are involved, whose actions are directed in one direction - compliance with the requirements and opportunities of the market. Considering the market as a starting point for any business, it should be noted that it is not a static quantity, but on the contrary is extremely dynamic and its characteristics change over time. "The most frequent changes in the environment are related to the behavior of competitors, changes in the prices and quality of raw materials and supplies, changes in legislation, changes in relations with trade unions, etc. All of these changes, taken together or separately, create new risks and opportunities for organizations that need to be addressed in a timely and effective manner. "

This requires adequate changes in the organization's behavior, which should be aimed at solving two problems: firstly, to choose the right direction of development among the many alternatives, which

will contribute to the achievement of its goals and secondly, to unite the efforts of people in the chosen direction, to create the necessary economic, organizational, technical, psychological and other conditions for the realization of these goals. The answer to these questions is in fact the development and implementation of the company's marketing strategy. Through the marketing strategy, "the organization achieves its objectives on the basis of developing and maintaining a strategic fit between organizational capabilities on the one hand and the threats and opportunities arising in a changing environment on the other." (Borisov and Radev, 2020)

Based on the definitions of marketing strategy cited so far, we believe that to more fully represent its essence, it could be defined as follows: marketing strategy is a means of maintaining long-term alignment between the dynamic external environment and the internal firm environment, by building and exploiting competitive advantages that find expression in the strategic decisions formulated on the elements of the marketing mix to enable the firm to achieve its long-term goals. In this way, the marketing strategy orients the behavior of the entire organization, encompassing all its structures.

Marketing strategies in the agricultural sector are essential for farmers, agribusinesses, and related stakeholders to promote their products and services, reach target audiences, and maximize profitability (Nikolov, Borisov and Radev, 2014). Here are some key marketing strategies for the agricultural sector:

**Market Research:** Understand market trends, consumer preferences, and demand for specific agricultural products in your region. Identify competitors and assess their strategies to gain a competitive edge.

**Product Differentiation:** Differentiate your products based on quality, sustainability, organic certifications, or unique characteristics to stand out in the market.

**Branding and Positioning:** Create a strong brand that represents the values and quality of your agricultural products. Position your brand as reliable, trustworthy, and environmentally conscious.

**Online Presence:** Develop a professional website and engage in e-commerce to reach a wider customer base. Utilize social media platforms to showcase your products, share farm stories, and connect with consumers.

**Content Marketing:** Produce informative and engaging content such as blog posts, videos, or infographics to educate consumers about your products and the agricultural process.

**Community Engagement:** Participate in local farmer's markets, agricultural fairs, and community events to build relationships with customers. Offer farm tours and workshops to educate consumers about your products and farming practices.

**Relationship Management (CRM):** Market research is a critical component of any successful marketing strategy, including in the agricultural sector. It involves the systematic gathering, analysis, and interpretation of information about a market, including information about your target customers, competitors, and industry trends. Here are the key steps involved in conducting market research in the agricultural sector:

- Define Your Objectives: Clearly outline your research objectives. What specific information are you trying to gather? Are you looking to understand consumer preferences, assess market size, or evaluate the competition?

- Identify Your Target Audience: Define your ideal customers or stakeholders. This might include consumers, wholesalers, retailers, or other businesses in the agricultural supply chain;
- Secondary Research: Start by collecting existing data and information. This can include reports, publications, academic studies, government statistics, and online resources. In the agricultural sector, government agricultural departments and industry associations often provide valuable data.
- Primary Research: Primary research involves collecting new data directly from your target audience. Common methods include:
  - Surveys: Create questionnaires to gather information from potential customers, distributors, or other stakeholders;
  - Interviews: Conduct one-on-one interviews with key industry players.
  - Focus Groups: Organize group discussions with potential customers to gain insights into their preferences and needs.
  - Observations: Visit farmers' markets, competitors, and agricultural events to observe consumer behavior;
  - Competitor Analysis: Analyze your competitors' strengths, weaknesses, pricing strategies, and market positioning. Understand what sets your agricultural products or services apart.
  - Market Size and Trends: Determine the size of your target market and assess its growth potential. Identify current and future trends in the agricultural industry, such as shifts in consumer preferences or emerging technologies.
  - SWOT Analysis: Conduct a SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis to evaluate your own business in the context of the market research findings.
  - Regulatory and Environmental Factors: Consider any regulations or environmental factors that may impact your agricultural business, such as zoning laws, water usage restrictions, or sustainability initiatives.
  - Data Analysis and Interpretation: Analyze the data you've collected and draw meaningful conclusions from it. Identify patterns, preferences, and opportunities that can inform your marketing strategy.
  - Action Plan: Use the research findings to develop a comprehensive marketing strategy tailored to your target audience and market conditions.
  - Continuous Monitoring: Market research is an ongoing process. Continuously monitor market dynamics, customer preferences, and industry trends to adapt your marketing strategies as needed.

**Market research** is an invaluable tool that can help you make informed decisions, minimize risks, and create a marketing strategy that resonates with your target audience in the agricultural sector. It is an investment in your business's long-term success and sustainability.

**Product differentiation** in agriculture involves making your agricultural products or services distinct from competitors' offerings by highlighting unique characteristics, qualities, or benefits. This strategy can help you stand out in a crowded marketplace, command higher prices, and attract customers who value the specific attributes you offer. Here are some ways to differentiate agricultural products:

- **Quality:** Emphasize the superior quality of your agricultural products. Ensure that they meet or exceed industry standards and regulations. Use third-party certifications, if applicable, to validate the quality;
- **Organic or Sustainable Practices:** Highlight your commitment to environmentally friendly and sustainable farming practices. Consumers increasingly value products that are produced without harmful chemicals and in ways that minimize ecological impact.
- **Local or Regional Sourcing:** If your products are grown or produced locally, emphasize the benefits of supporting the local economy and reducing the carbon footprint associated with transportation.
- **Varietal Selection:** In the case of crops like fruits, vegetables, and wine grapes, showcase unique or heirloom varieties that are not readily available from mass producers;
- **Specialty or Niche Products:** Develop and promote specialty or niche products that cater to a specific customer segment. This could include gourmet or heirloom varieties, rare breeds of livestock, or unique hybrid crops.
- **Flavor and Taste:** If your agricultural products are known for their exceptional taste, such as in the case of artisanal cheeses or heritage tomatoes, focus on the sensory experience they provide;
- **Packaging and Presentation:** Create attractive and distinctive packaging that sets your products apart on store shelves or at farmers' markets. Use environmentally friendly or reusable packaging materials to appeal to eco-conscious consumers;
- **Storytelling and Branding:** Share your farm's story, history, and values. Engage with consumers emotionally by showcasing your commitment to traditional or family farming practices.
- **Traceability:** Offer transparency by allowing consumers to trace the origin of your products. Highlight the journey from farm to table, including where and how the product was grown, harvested, and processed;
- **Customer Engagement:** Connect with customers through educational events, farm tours, workshops, and other interactive experiences. This fosters a sense of community and trust.
- **Seasonal Offerings:** Promote the seasonality of your products, and educate consumers about the benefits of eating fresh, in-season produce;
- **Collaboration with Chefs and Restaurants:** Partner with local chefs and restaurants to feature your products in their menus. This can help showcase the versatility and quality of your agricultural goods;
- **Unique Marketing Channels:** Explore unique marketing channels like subscription box services, online marketplaces, or direct-to-consumer sales through e-commerce;
- **Customer Reviews and Testimonials:** Share positive customer reviews and testimonials to build credibility and trust.
- **Health Benefits:** If your agricultural products offer specific health benefits, make sure to highlight them. For example, if you produce superfoods or products with high nutritional value, emphasize these qualities.

Differentiating agricultural products requires a deep understanding of your target market, their preferences, and the competitive landscape. By emphasizing what makes your products unique, you can create a competitive advantage and attract a loyal customer base in the agricultural sector.

**Branding and positioning** in agriculture are essential for building a strong and memorable identity for your agricultural business. Effective branding and positioning strategies can help you create a unique image, connect with your target audience, and distinguish your farm or agricultural products in the marketplace. Here are key considerations for branding and positioning in agriculture:

- **Branding: Create a Distinct Brand Identity:** Develop a unique and memorable brand name, logo, and visual elements that reflect the essence of your agricultural business. Your branding should set you apart from competitors and resonate with your target audience;
- **Define Your Brand Story:** Tell the story of your farm or agricultural business. Share the history, values, and mission that make your operation special. Highlight your commitment to sustainable, organic, or other relevant farming practices;
- **Consistency in Branding:** Ensure that your brand identity is consistent across all marketing materials, including your website, packaging, social media, and marketing campaigns. Consistency helps build recognition and trust.
- **Engage in Emotional Branding:** Connect with consumers on an emotional level. Share stories about your farm, family, or community involvement to create a personal connection between your brand and your customers;
- **Highlight Unique Selling Proposition (USP):** Communicate the unique attributes or benefits of your agricultural products. Whether it's superior quality, sustainable practices, or a special niche, make sure your USP is a central part of your branding;
- **Branding Through Packaging:** Invest in attractive and functional packaging that aligns with your brand identity. Packaging should protect your products and enhance their visual appeal.
- **Build Trust and Credibility:** Use third-party certifications or endorsements to build trust with consumers. Certifications such as organic, non-GMO, or fair trade can lend credibility to your brand;
- **Positioning: Identify Your Target Market:** Clearly define your target audience. Are you primarily serving local consumers, wholesalers, restaurants, or other businesses in the supply chain? Understanding your market is crucial for effective positioning;
- **Market Research:** Conduct thorough market research to understand consumer needs, preferences, and behaviors. Use this information to position your products effectively.
- **Competitor Analysis:** Analyze your competitors to identify gaps and opportunities in the market. Differentiate your positioning based on your unique strengths and attributes.
- **Price Positioning:** Determine the appropriate pricing strategy based on the perceived value of your products. Are you positioning your products as premium, budget-friendly, or something in between?
- **Sustainability and Values:** Emphasize your commitment to sustainable farming practices, environmental responsibility, and social values. Position your brand as a conscious and responsible choice for consumers who prioritize these factors.
- **Local or Regional Positioning:** If your products are locally sourced, emphasize the importance of supporting the local economy and reducing carbon emissions associated with long-distance transportation;
- **Seasonal Positioning:** Leverage the seasonality of your products to create a sense of anticipation and exclusivity. Promote the freshness and limited availability of seasonal offerings;



- **Educational Positioning:** Position your brand as an educator in the agricultural space. Provide information, tips, and resources that help consumers make informed choices about their food and farming practices.

- **Collaborations and Partnerships:** Collaborate with local chefs, restaurants, or retailers to position your products in a favorable light. Partnerships can help position your brand as a premium choice.

- **Online Presence:** Establish a strong online presence through a professional website, social media, and e-commerce. Position your brand as accessible and convenient for online shoppers.

Branding and positioning in agriculture should be based on a deep understanding of your target market, competition, and your unique value proposition. Consistent and strategic branding, combined with effective positioning, can help you attract and retain customers who resonate with your agricultural business's mission and offerings.

Building a strong online presence in agriculture is crucial for modern farms and agribusinesses. An online presence enables you to connect with a broader audience, market your products or services, and stay competitive in the digital age. Here are steps to establish and enhance your online presence in agriculture:

- **Professional Website:** Create a professional and user-friendly website for your agricultural business. Include essential information about your farm, products, services, contact details, and a compelling "About Us" section;

- **E-commerce Integration:** If you sell products directly to consumers, consider adding an e-commerce platform to your website. This allows customers to purchase your products online and have them delivered.

- **Search Engine Optimization (SEO):** Optimize your website for search engines to improve your visibility in search results. Use relevant keywords, meta tags, and high-quality content to attract organic traffic;

- **Content Marketing:** Share informative and engaging content related to your farm, such as blog posts, videos, or infographics. This not only educates your audience but also boosts your website's SEO;

- **Social Media Presence:** Establish and maintain a presence on popular social media platforms like Facebook, Instagram, Twitter, and LinkedIn. Regularly post content, engage with your audience, and use visuals to showcase your products and farm life.

- **Email Marketing:** Build an email list of interested customers and use email marketing to communicate with them. Share updates, promotions, and relevant information to keep your audience engaged;

- **Online Marketplaces:** Consider listing your products on online marketplaces that cater to agricultural products. Websites like Farmy, LocalHarvest, or Amazon Fresh can expand your reach;

- **Online Advertising:** Use online advertising platforms like Google Ads or social media ads to target specific audiences and promote your agricultural products. Pay-per-click (PPC) advertising can be cost-effective;

- **YouTube and Video Marketing:** Create videos that showcase your farm, products, or farming practices. YouTube is an excellent platform for sharing educational and promotional videos.

- Local Directories and Maps: Ensure your farm or business is listed in local directories and on mapping platforms like Google Maps. This helps local customers find you more easily.
- Customer Reviews and Testimonials: Encourage satisfied customers to leave reviews on your website and on platforms like Google My Business. Positive reviews build trust and credibility;
- Community Engagement: Use your online presence to engage with your local community. Share news about events, farmer's markets, and other local agricultural activities;
- Online Farm Store: If you have a physical farm store, create an online version. Enable customers to browse and purchase products from your farm store online;
- Mobile Optimization: Ensure your website is mobile-friendly, as many user's access websites via smartphones and tablets. A responsive design is essential.

Regular Updates: Keep your website and social media profiles up to date with fresh content. This shows that your farm is active and engaged with customers;

Data Analytics: Use web analytics tools to track website traffic, user behavior, and conversion rates. Analyzing data can help you refine your online strategies

Remember that a successful online presence in agriculture requires ongoing effort and adaptation. Stay responsive to customer feedback and industry trends to continually improve and expand your digital presence

**Community engagement in** agriculture is crucial for building strong relationships with local communities, consumers, and stakeholders. It can enhance the reputation of your agricultural business, promote sustainable practices, and create a supportive network. Here are ways to engage with the community in agriculture:

- Participation in Local Events: Attend and actively participate in local agricultural fairs, farmer's markets, and community events. Set up a booth to showcase your products and engage with visitors;
- Educational Workshops and Seminars: Organize or participate in workshops and seminars related to farming practices, gardening, or other agricultural topics. Share your expertise with the community;
- Open Farm Days: Host open farm days or tours to allow community members to visit your farm, learn about your operations, and gain a deeper understanding of farming practices;
- Community-Supported Agriculture (CSA): Offer CSA programs that allow community members to purchase shares of your farm's produce. This fosters a sense of community and direct support for local agriculture.
- Farmers' Market Presence: Sell your products at local farmers' markets and engage with customers. This provides an opportunity for face-to-face interactions and feedback;
- Agricultural Education in Schools: Partner with local schools to provide agricultural education programs or field trips. This helps educate children and young adults about where their food comes from.
- Collaborate with Local Organizations: Partner with local environmental groups, food banks, or other community organizations to support community initiatives and sustainable farming practices;

- Donations to Food Banks: Contribute surplus produce to local food banks and shelters to support those in need within the community;
- Local Sponsorships: Sponsor local events, sports teams, or community activities to increase your visibility and show your commitment to the community.
- Community Gardening Projects: Support community gardening projects by providing resources, knowledge, or space for community gardens. This encourages local food production and community involvement.
- Environmental Initiatives: Implement and showcase eco-friendly and sustainable farming practices to demonstrate your commitment to responsible land management;
- Social Media and Online Engagement: Use social media and your online presence to interact with and inform the community. Share farm updates, gardening tips, and relevant information.
- Public Relations and Media Engagement: Build relationships with local media outlets and journalists to promote positive stories about your agricultural business and its impact on the community.
- Customer Feedback and Communication: Actively seek and respond to customer feedback, questions, and concerns. Show that you value their input and are responsive to their needs.
- Support for Local Initiatives: Back local initiatives or campaigns that align with your values, such as sustainable agriculture, rural development, or community building. Community Outreach Programs: Establish outreach programs that provide resources or assistance to local farmers, particularly those facing challenges or in need of support.

Community engagement in agriculture fosters a sense of trust, connection, and shared responsibility. By actively participating in your local community, you can demonstrate your commitment to sustainable farming practices, support local economies, and build a loyal customer base.

### **CONCLUSION**

Marketing strategies play a crucial role in the success of agricultural businesses. However, they come with their own set of advantages and disadvantages:

#### ***Advantages of Marketing Strategy:***

- Increased Sales and Revenue: Effective marketing strategies can lead to increased sales and revenue, as they help attract and retain customers;
- Brand Recognition and Loyalty: A well-executed marketing strategy can build brand recognition and customer loyalty, which can lead to long-term success.
- Market Expansion: Marketing strategies can help businesses expand into new markets or reach a wider audience, both locally and globally;
- Competitive Advantage: By differentiating your products or services, marketing strategies can give you a competitive edge in the marketplace;
- Targeted Approach: Marketing strategies allow you to target specific customer segments, ensuring that your efforts are directed at those most likely to buy;
- Feedback and Improvement: Marketing campaigns can provide valuable feedback from customers, helping you to improve your products or services;
- Data and Analytics: Modern marketing strategies often rely on data and analytics, providing insights that can inform decisions and optimize campaigns;

- Cost-Effective: When done right, marketing strategies can be cost-effective, especially compared to traditional advertising methods.

***Disadvantages of Marketing Strategy:***

- Cost: Marketing campaigns can be expensive, especially for small businesses. The cost may outweigh the benefits if not managed effectively;
- Uncertainty: Marketing outcomes are not always predictable. A strategy that works well in one situation may not work in another;
- Competition: In highly competitive markets, it can be challenging to stand out, and marketing efforts may not yield the desired results;
- Time-Consuming: Developing and executing a marketing strategy can be time-consuming, diverting resources from other business activities;
- Customer Resistance: Some customers may be resistant to marketing efforts and may even be turned off by them if they feel they are being bombarded with advertising;
- Risk of Misalignment: If a marketing strategy is not aligned with the business's overall goals or customer needs, it can lead to wasted resources and missed opportunities;
- Changing Trends: The marketing landscape is continually evolving with new technologies and trends. Staying up-to-date can be challenging;
- Legal and Ethical Issues: Marketing strategies must comply with laws and ethical standards. Violations can result in legal and reputational consequences;
- Measuring ROI: Measuring the return on investment (ROI) of marketing strategies can be challenging, making it difficult to assess their effectiveness.

In summary, marketing strategies can be highly beneficial for agricultural businesses, but they also come with risks and challenges. It's essential to carefully plan and execute your strategies, continually adapt to changing circumstances, and monitor their performance to maximize the advantages while minimizing the disadvantages. Remember that agriculture marketing can be highly localized, so your strategy may need to adapt to your specific region and customer base. Regularly assessing and adjusting your marketing approach is crucial for long-term success in the agriculture industry.

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## IMPACT OF THE IMPLEMENTATION OF AGROECOLOGICAL ECOSYSTEM SERVICES ON THE AGRICULTURAL LANDSCAPE

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### ABSTRACT

More than a third of the Earth's total land area is used for agriculture and grazing, leading to alarming rates of land conversion and loss of habitat for various plant and animal species. The conventional production of agricultural products as methods and practice of application is the reason for the high rates of deterioration of biodiversity, soil erosion, reduction of water potential, as well as on a number of ecosystem services.

In Bulgaria, research on economic and other issues related to agro-ecosystem services is at an initial stage (Kazakova; Nedkov; Nikolov; Todorova; Bachev; Grigorova and Kazakova; IAOS; Yordanov et al.; Chipev et al.). With few exceptions, there is practically no research on the dominant forms of management of agro-ecosystem services in the country (Bashev; Bashev et al.; Bachev, 2021; Todorova).

This paper aims to investigate the impact of implementing ecosystem services on landscape shaping in agricultural holdings. As well as deepening understanding of the impact of multiple agroecological ecosystem services on the agricultural landscape.

**KEYWORDS:** agro-ecological services, landscape, impact, implementation

### ABSTRAKT

Mehr als ein Drittel der gesamten Landfläche der Erde wird für die Landwirtschaft und die Weidewirtschaft genutzt, was zu alarmierenden Raten der Landumwandlung und zum Verlust von Lebensraum für verschiedene Pflanzen- und Tierarten führt. Die konventionelle Erzeugung landwirtschaftlicher Produkte sowie die Methoden und Praktiken ihrer Anwendung sind der Grund für die starke Beeinträchtigung der biologischen Vielfalt, der Bodenerosion, der Verringerung des Wasserpotenzials sowie einer Reihe von Ökosystemleistungen.

In Bulgarien befindet sich die Forschung zu wirtschaftlichen und anderen Fragen im Zusammenhang mit Agrarökosystemleistungen in einem Anfangsstadium (Kazakova; Nedkov; Nikolov; Todorova; Bachev; Grigorova und Kazakova; IAOS; Yordanov et al.; Chipev et al.). Bis auf wenige Ausnahmen gibt es praktisch keine Untersuchungen zu den vorherrschenden Formen des Managements von Agrarökosystemleistungen im Land (Bashev; Bashev et al.; Bachev, 2021; Todorova).

Die vorliegende Arbeit zielt darauf ab, die Auswirkungen der Umsetzung von Ökosystemleistungen auf die Landschaftsgestaltung in landwirtschaftlichen Betrieben zu untersuchen und das Verständnis für die Auswirkungen der vielfältigen agrarökologischen Ökosystemleistungen auf die Agrarlandschaft zu vertiefen.

**STICHWORTE:** agrarökologische Dienstleistungen, Landschaft, Auswirkungen, Umsetzung

## RÉSUMÉ

Plus d'un tiers de la surface totale de la Terre est utilisé pour l'agriculture et le pâturage, ce qui entraîne des taux alarmants de conversion des terres et de perte d'habitat pour diverses espèces végétales et animales. La production conventionnelle de produits agricoles ainsi que les méthodes et pratiques d'application sont à l'origine des taux élevés de détérioration de la biodiversité, de l'érosion des sols, de la réduction du potentiel hydrique, ainsi que d'un certain nombre de services écosystémiques.

En Bulgarie, la recherche sur les questions économiques et autres liées aux services agro-écosystémiques n'en est qu'à ses débuts (Kazakova ; Nedkov ; Nikolov ; Todorova ; Bachev ; Grigorova et Kazakova ; IAOS ; Yordanov et al. ; Chipev et al.). À quelques exceptions près, il n'existe pratiquement aucune recherche sur les formes dominantes de gestion des services agro-écosystémiques dans le pays (Bashev ; Bashev et al. ; Bachev, 2021 ; Todorova).

Cet article vise à étudier l'impact de la mise en œuvre des services écosystémiques sur l'aménagement du paysage dans les exploitations agricoles, ainsi qu'à approfondir la compréhension de l'impact des multiples services écosystémiques agroécologiques sur le paysage agricole.

**MOTS CLÉS:** services agro-écologiques, paysage, impact, mise en œuvre

## INTRODUCTION

The ecosystem is a system consisting of biotic and abiotic components that function together as a unit. Biotic components include all living creatures, while the abiotic components are non-living things. Thus, the definition of ecosystem science includes an ecological community consisting of different populations of organisms that live together in a particular habitat.

Essentially, the definition of an ecosystem in biology is that it acts as the basic unit of nature. Just as a living organism is made up of cells that act as the structural and functional units of life, nature is also made up of basic units called ecosystems.

In fig. 1 presents the structure of ecosystems, which shows the interrelationship between its individual components.

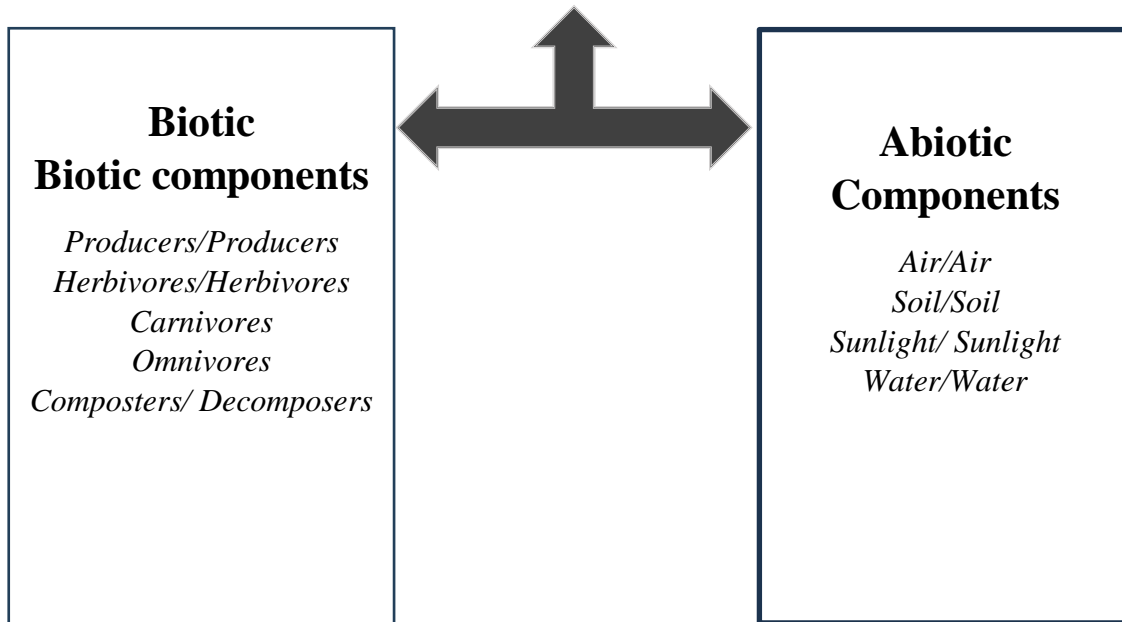
Ecosystem services are products and other benefits that people receive from natural ecosystems (MEA, 2005). Or it can be summarized that ecosystem services are the benefits that people receive through their interactions with nature. These benefits are linked to several metrics such as people's quality of life, need for food, water, health, security and livelihoods, to cultural and spiritual significance, including identity, that people acquire through their relationship with ecosystems. A large part of agroecological ecosystem services are applied precisely in agriculture. Although the primary purpose of agriculture as a sector of the economy is food production, in recent times farmers have been encouraged to provide a wide range of ecosystem services to meet the needs of the population.

Agricultural landscapes are seen as interconnected social-ecological systems and are the result of the interaction between the biophysical and social environments. Therefore, the combination of factors such as climate, geology and ecology, as well as management practices, technologies, skills, institutions and public demand leads to the provision of the influence of ecosystem services on the construction of the landscape in agricultural holdings.

According to the authors Zhang W., Ricketts TH, Kremen C., Carney K. & Swinton SM (2007), depending on how farms are managed, agriculture can be the source of many harmful methods and practices, resulting in lead to loss of wildlife habitats, soil and air pollutants, sedimentation, greenhouse gas emissions, pesticide poisoning, and more. Any trade-offs related to the use of appropriate agricultural

management methods and practices are critical to realize the benefits of ecosystem services and reduce environmental damage.

**Figure 1.** Ecosystem structure. Source: author's work



Agroecosystem services can provide farmers and societies with a set of different rules, divided into two groups:

- Governing Rules. These include flood control, water quality control, soil carbon storage, climate change mitigation, pesticide use reduction and appropriate crop management.
- Cultural rules could include education, recreation, tourism, vitality of the area and others. Biodiversity conservation can also be considered a cultural ecosystem service influenced by agriculture Daily GC (ed.) (1997).

Swinton SM, Lupi F., Robertson GP& Hamilton SK (2007) conclude that the conversion of natural habitats to cropland can on the one hand have a strong impact on the ability to produce important ecosystem services, but on the other hand many agricultural systems also can be important sources of certain services. Agricultural land use can be considered as a certain intermediate stage in human development between natural and agricultural ecosystems.

#### **RESEARCH METHODOLOGY**

According to Bashev (2020), "Agrarian" ecosystems and "agrarian" ecosystem services are those related to agricultural "production". The hierarchical system of agroecosystems includes multiple levels (from individual agricultural plot/plot, area, microdistrict, macrodistrict, etc.), while their (ecosystem) services are classified into different categories (sustaining, economic, recreational, aesthetic, cultural, educational, conservation of biodiversity, water treatment and retention, flood and fire protection, climate regulation, etc.) (MEA). The term "management of (agro)ecosystem services" refers to the



management of human actions and behaviors related to the conservation, enhancement and restoration of ecosystems and ecosystem services (Bachev 2021).

The present study aims to deepen the understanding of the application of multiple agroecological ecosystem services on the shaping of agricultural landscapes. Measuring the value of ecosystem services and ensuring an efficient level of their provision requires three main approaches in the application of agroecological ecosystem services (Polasky S., 2008).

- Provision of agroecological ecosystem services ("ecological production function");
- Determining the value of agroecological ecosystem services ("valuation");
- Development of policies, tools for effective provision of agro-ecological ecosystem services ("incentives, management").

Regarding the first approach, a number of scientists and ecologists have been engaged in research for decades to improve the understanding of how ecosystem services are produced (Costanza et al. 1997; Daily 1997; MEA 2005). Basic knowledge of ecosystem structure and function is constantly increasing, yet we know considerably less about how these factors determine the provision of the full suite of agroecological ecosystem services to an individual ecosystem (NRC. 2005). A better understanding of the processes that influence agroecological ecosystem services will allow predicting the results of their implementation, taking into account their specific characteristics and, accordingly, the negative impacts on them. This means that a "green production function" can be generated. In practice, most "ecological production function" studies focus on the provision of one or two well-understood and researched ecosystem services. Thus, as a result of analyzing the various processes, the predictability of the application of ecosystem services on the agricultural landscape will increase. Despite much research, this is one area that needs significant attention.

According to the second approach, determining the value of agro-ecological ecosystem services usually uses a market, but may also use a non-market valuation. Valuing the services resulting from agricultural activities is a relatively easy task because agricultural goods are traded in different markets. Individually, some ecosystem services provide a high contribution to agricultural production, and their value can be measured by assessing the change in the quantity or quality of agricultural production, as a result of increasing, decreasing or removing some services. This approach has been used to estimate the value of pollination services and biological control services (Gallai N., Salles JM, Settele J.& Vaissiere BE. 2009). Additionally, the values of such services can be easily determined by comparing the opportunity costs: different substances, pesticides that will replace natural pest control. The other main method is the use of non-market valuation. It can be based on a certain consumer choice - behavior or a certain attitude as a result of marketing research. Thus, as a result of these studies, for a certain "conditional" evaluation or attitude, consumers are asked what they are willing to pay for the implementation of the agroecological ecosystem service of their choice. The important thing here is to understand the views of agricultural producers as farmers: what they would be willing to accept in exchange for the provision of a certain ecosystem service (Swinton SM, Lupi F., Robertson GP& Hamilton SK. 2007).

One of the main difficulties in managing agro-ecological ecosystem services is that those who provide such services do not always benefit from them. Many ecosystem services are synonymous with public goods. Although farmers benefit from various ecosystem services, their activities can greatly affect the provision of services to third parties who do not control their production. An example can be given with: the impact of different agricultural practices on the conservation of water resources, pest population and many others. Therefore, the main goal of measuring and valuing ecosystem services is to use this

information to create and implement certain policies and specific incentives for farmers for better and efficient management of both agricultural holdings and limited natural resources.

In the implementation of the third approach, namely the development of policies, tools for the effective provision of agro-ecological ecosystem services ("incentives, management"), the stimulation of farmers can be in the form of government payments for the provision of agro-ecological services or initiatives of various private organizations by implementing environmental programs (Swinton SM. 2008). Agro-ecological schemes aim to mitigate the negative environmental effects of intensive farming by providing financial incentives to farmers to adopt environmentally friendly farming practices. In the US, they provide support for investments in soil conservation and other easily observable practices to maintain or enhance certain ecosystem services, as exemplified by the Farm Bill's Security Protection Program of 2002. Many European countries also provide government support for environmental clean agricultural practices that support ecosystem services. A recent evaluation of over 200 field pairs in five European countries showed that agri-environmental programs had a small to moderately positive impact on biodiversity, but largely failed to protect rare or threatened species (Kleijn D., et al. 2006).

### **RESULTS AND DISCUSSION**

Agri-environmental services have been identified as a practice that can be supported through the eco-schemes under the first pillar of the Common Agricultural Policy (CAP). They are also highlighted as some of the sustainable farming practices that can help achieve the goals of the European Green Deal and the related Farm-to-Fork and Biodiversity strategies. Under Horizon 2020, the EU funds several research projects dedicated to the development of agroecological research. These projects contribute to a better understanding of the practical implementation of ecological and low-intensity agricultural practices, as well as their benefits for the environment, climate and society.

Types of agroecological ecosystem services and the impact on the construction of the agricultural landscape

Almost 40% of the earth's surface is associated with agricultural production: cultivation of agricultural crops, production, grazing of livestock, allowing enormous opportunities for humanity and increased economic development (Ramankutty, N., Evan, AT, Monfreda, C., and Foley, JA 2008). Different types of agroecological ecosystem services generate different impacts on the agricultural landscape. There are a number of studies in this direction that compare different types of agro-ecological systems and the services they offer. An example of this can be given with conventional monoculture production and organic farming, in particular the effects that agricultural intensity has on biodiversity and ecosystem services (Björklund, J., Limburg, KE, Rydberg, T. 1999). Other studies present comparative analyzes between small and large farms and focus on factors such as: productivity (Lele, M., and Agarwal, U. 1990), soil erosion and loss (Essiet, EU 1990), diversity of different bird species and plants (Andersson, E., and Lindborg, R. 2014), and not least adaptation to climate change. However, none of these examples provide what the impact of implementing ecosystem services would be on the agricultural landscape and the environment. Simultaneous assessment of multiple agroecological ecosystem services is necessary to understand the interrelationships between individual services, how they respond to change, such as management innovations, but also how a change in one service affects all others (Bennett, EM, Peterson, GD, and Gordon, LG 2009). The types of agroecological ecosystem services are:

- Pest control- biological pest control in agroecosystems is an important ecosystem service that is often supported by natural ecosystems. The non-crop landscape provides the habitats and diverse food resources required for arthropod predators, insectivorous birds and microbial pathogens that act as natural enemies of agricultural pests and provide biological control services in

agroecosystems (Tscharrntke T., Klein AM, Kruess A., Steffan -Dewenter I.& Thies C.. 2005) These biological control services can significantly reduce pest and weed populations in agriculture, thereby reducing the need for pesticides. Natural pest control services have been estimated to save about \$13.6 billion annually to US farms (Losey JE& Vaughan M.. 2006) This estimate is based on the estimated value of crop losses from insect damage as and the cost of insecticides. Studies show that insects account for approximately 33% of natural pest control (Hawkins BA, Mills NJ, Jervis MA& Price PW1999);

- Pollination- pollination is another important agroecological ecosystem service for agriculture that is provided by natural habitats in agricultural landscapes. About 65% of plant species require pollination. An analysis of data from 200 countries shows that for 75% of crops of global importance for food production, farmers rely primarily on insect pollination (Klein AM, Vaissiere BE, Cane JH, Steffan-Dewenter I., Cunningham SA, Kremen C. & Tscharrntke T.. 2007). Very often, crops of economic importance to honey bees also have wild insect pollinators. Of the most important crops pollinated by insects and animals, over 40% depend on wild pollinators. The economic impact of insect pollination on world food production in 2005 in the 162 FAO member countries was estimated at €153 billion, but the vulnerability to loss varied across geographic regions (Gallai N., Salles JM, Settele J. & Vaissiere BE. 2009).
- Protection of water resources- the provision of sufficient quantities of clean water and the level of quality is an essential agro-ecological service. According to various data, about 70% of global water consumption is consumed in agriculture. Perennial vegetation in natural ecosystems such as forests can regulate the retention, infiltration, and flow of water across the landscape. Vegetation cover plays a central role in regulating water flow by retaining soil and modifying its structure. Forest soils tend to have higher infiltration rates than other soils, and forests reduce flooding while maintaining constant inflow levels ( Maes WH, Heuvelmans G. & Muys B.. 2009).
- Another type of agroecological ecosystem service is the availability of water in agroecosystems, which depends not only on infiltration and inflow, but also on soil moisture retention. With climate change, increased variability in rainfall is predicted to lead to greater risk of drought and flooding, in addition to higher temperatures increasing demand for water. Farm management practices can significantly alter this water scarcity. By changing the way of soil cultivation or introducing mulching, water evaporation can be reduced by 35-50%. (Stefanie Rost) and others predict that global crop production could increase by nearly 20% as a result of implementing water management practices on farms;
- Soil condition– the soil with its structure and fertility provides essential ecosystem services for agroecosystems. Well-aerated soils rich in organic matter are fundamental to crop nutrient uptake as well as water retention (Zhang W., Ricketts TH, Kremen C., Carney K. & Swinton SM 2007). The structure, soil aggregation and decomposition of organic matter are influenced by the activity of bacteria, fungi and macrofauna (earthworms, invertebrates, etc.). Agricultural management practices that degrade soil structure and soil microbial communities include mechanical plowing, discing, cultivation, and harvesting, but management practices can also protect soil and reduce erosion. Conservation tillage and other soil conservation measures can maintain soil fertility by

minimizing nutrient loss. Incorporating crop residues can maintain organic matter in the soil, which aids in water retention.

## CONCLUSION

Agriculture as a whole system provides a variety of agro-ecological ecosystem services that are essential for human well-being. They also provide and use a range of other ecosystem services, including regulating services. Maximizing the provision of agroecosystem services can lead to the enhancement of other ecosystem services, but careful management can greatly reduce or even eliminate harmful effects. Agricultural management practices are key to realizing the benefits of ecosystem services and reducing harm from agricultural activities. These challenges will be magnified as a result of climate change. Our ability to estimate the value of different agroecological ecosystem services will increase the potential in analyzing future agricultural management.

Applying agri-ecological system services is a holistic approach that supports sustainable agricultural production while caring for the environment—it works with nature and ecosystem services, increases the resilience and diversity of farms, and has the potential to lead to a complete transformation of agriculture and food systems. Agro-ecological system services influence a range of agricultural practices, from the breeds and varieties used to soil management practices and crop diversification strategies, to integration into value chains and business models that can support locally adapted practices and to provide greater market opportunities for farmers and consumers. Examples of agricultural practices applying agroecological principles are organic farming, agroforestry and mixed farming.

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**THE BULGARIAN LEGAL REGULATION ON PACKAGE TRAVEL AND LINKED TRAVEL ARRANGEMENTS  
ACCORDING TO DIRECTIVE (EU) 2015/2302**

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**ABSTRACT**

In July 2018 entered into force new provisions of European law in relation to package travel and other travel services and their sale by organisers and retailers to consumers. The new legislative framework is a direct consequence of the changes that came on the travel market in the last decades and it expresses the European legislator's pursuit the changes concerned to be adequately reflected in the legal order. The subjects of this study are the main principles of Directive (EU) 2015/2302 on package travel and linked travel arrangements and their role of improving the protection of travel services consumers. In particular, in the article are analyzed issues relating to the scope of protection of new Directive with regard to consumers, the meaning of term "package travel", the trader's obligation to provide certain information to the consumer before concluding the contract, the rights arising out of the contract, the liability for the proper performance of a package, the means of protection in case of organiser's insolvency.

**KEYWORDS:** package travel, organiser, traveller, travel services, nonperformance of a contract

**ABSTRAKT**

Im Juli 2018 traten neue gemeinschaftsrechtliche Bestimmungen zur Bereitstellung von Pauschalreisen und anderen Reisedienstleistungen durch Reiseveranstalter und Reisebüros für Verbraucher in Kraft. Der neue Rechtsrahmen spiegelt direkt die Veränderungen wider, die sich in den letzten Jahrzehnten auf dem Tourismusmarkt ergeben haben, und bringt die Bemühungen des europäischen Gesetzgebers zum Ausdruck, den Veränderungen in der Rechtsordnung angemessen Rechnung zu tragen. Gegenstand dieser Studie sind die wesentlichen Bestimmungen der Richtlinie (EU) 2015/2302 des Europäischen Parlaments und des Rates vom 25. November 2015 über Pauschalreisen und damit verbundene Reisedienstleistungen und deren Bedeutung für die Verbesserung des Schutzes der Reisenden. Insbesondere wurden Fragen im Zusammenhang mit der persönlichen Wirkung der Normen der Richtlinie, dem Inhalt des Begriffs „Reisepaket“ und der Verpflichtung des Unternehmers, dem Verbraucher vor Vertragsabschluss bestimmte Informationen zur Verfügung zu stellen, analysiert. Gegenstand der Analyse sind auch die Rechte, die dem Reisenden aus dem abgeschlossenen Vertrag entstehen, die vertragliche Haftung für die Nichterfüllung oder mangelhafte Erbringung der versprochenen Leistungen, die Möglichkeiten zur Absicherung des Reisenden bei Insolvenz des Unternehmers.

**STICHWORTE:** Pauschalreise, Veranstalter, Reisender, Reiseleistungen, Vertragsbruch

## RÉSUMÉ

Des nouvelles dispositions du droit communautaire ont commencé à s'appliquer sur les voyages forfaitaires et d'autres services de voyage proposés par les voyagistes ou les agents de voyage des particuliers en juillet 2018.

Le nouveau cadre juridique reflète directement les changements survenus sur le marché touristique au cours des dernières décennies et montre les efforts déployés du législateur européen pour refléter de manière adéquate les changements intervenus dans l'ordre juridique. Le sujet de cette étude porte sur les principales dispositions de la directive (UE) 2015/2302 du Parlement européen et du Conseil du 25 novembre 2015 relatives aux voyages forfaitaires et aux services de voyage associés et sur leur importance pour l'amélioration de la protection des voyageurs. En particulier, sont analysés les questions liées à l'effet personnalisé des normes de la directive, le contenu de la notion de « forfait touristique », l'obligation du professionnel à fournir certaines informations à l'utilisateur avant la signature du contrat, les droits du voyageur dans le cadre du contrat conclu, la responsabilité contractuelle en cas d'inexécution du contrat ou d'une mauvaise exécution des services promis, les moyens de protection du voyageur en cas d'insolvabilité du commerçant.

**MOTS-CLÉS:** voyage à forfait, organisateur, voyageur, services de voyage, rupture de contrat (inexécution du contrat)

## INTRODUCTION

Directive 90/314/ EEC on package travel, package holidays and package tours of the European Parliament and of the Council, adopted in 1990, occupied an important place in the system of EU consumer law, amongst the other Union legislation relating to the consumer's legal status. It was for the first time common to the Member States to regulate the legal relations for organizing and providing package travels and to regulate the rights and obligations of the subjects involved in them. In this sense, its role as a regulator of these legal relations was undoubted. The effect of Directive 90/314/EEC on legal order lasted more than 20 years. In the early 1990s, the structure of the tourist market was quite simple, and the Internet as a means of communication and international trade did not exist. However, in recent times, there have been significant changes in the tourist market, driven on the one hand by the liberalization of the air transport industry and, on the other, the emergence of new manners in which consumers organize their trips and holidays.

Furthermore, due to the minimal harmonization approach used in the Directive, even with its transposition, substantial differences between the laws of the Member States as regards package travels have emerged. In particular, there was a lack of uniformity as to which contracting party (parties) are liable for the consequences of the non-performance of the package travel contract, and some of the provisions contained ambiguities and legislative gaps. On the other hand, the provisions of the Directive concerned have been partially or wholly inapplicable given the fact that consumers nowadays increasingly prefer to purchase a "personalized" package travel by combining travel services from one trader or several economically linked traders via websites. This trend in turn has created uncertainty as to the level of protection that can be expected by the consumer and uncertainty as to the extent of the obligations of traders in relation to the provision of such combined services.

The reasons for the invasion of Internet technologies in the tourist business are diverse and are subject to other types of research. However, the explanation offered in the theory is that "in the global network, the potential buyers and consumers of tourist services are, in general, much more than those who can visit travel bureaus as they are not limited by the time and space. In this sense, the understanding



of an open tourist market finds its specific manifestation in the virtual market of services and products created on the Internet".

In response to the changes, in 2007 in accordance with Article 114 of the Treaty on the Functioning of the European Union, the European Commission initiated a proposal to reform the existing Directive 90/314/EEC. In the course of preparing for the new rules, public consultations were held with a wide range of stakeholders - the European Economic and Social Committee, consumer organizations, representatives of the tourism business, academics, lawyers and some Member States. In the final analysis, the efforts of the EU legislative bodies in this regard are expressed in Directive (EU) 2015/2302 of the European Parliament and of the Council of 25 November 2015 on package travel and linked travel arrangements, amending Council Regulation (EC) 2006/2004 and Directive 2011/83/EU of the European Parliament and of the Council and repealing Council Directive 90/314/EEC (hereinafter referred to as "Directive (EU) 2015/2302"). In view of the substantial changes it brings into the legal regime of organized trips, it obliges Member States to introduce the new provisions into their domestic law by January 1, 2018, respectively to apply them from July 2018.

The new Directive seeks to update the rules on package travels, extending the scope of protection, adding to the traditional package travels organized by tour operators or travel agents, individualized combinations of tourist services purchased online. The expected consequences of the entry into force of the adopted rules are increasing legal certainty and transparency for both parties of the package travel contract, limiting the possible damages to the consumer from the use of such combined services and removing obstacles to cross-border trade through ensuring equivalent conditions of competition between tourist businesses. The latter will make it easier for traders to expand their business and offer tourist products beyond national boundaries. More generally, bringing up to date the Directive 90/314/EEC should be seen as a step in the process of providing a common legal framework in the scope of consumer protection.

## RESULTS AND DISCUSSION

**Implementation of Directive (EU) 2015/2302 in the Bulgarian Law.** The requirements of Directive (EU) 2015/2302 have been transposed into our domestic law in the provisions of Chapter Seven, Section II "Package travel contracts and linked travel arrangements" and Section III "Liability of tour operators and traders facilitating for the performance of linked travel arrangements in the event of insolvency and bankruptcy" of Tourism Act. The Directive also introduces changes to the existing terminology – the previous term "organized tourist trip with a total price contract" is replaced by "package travel contract", "consumer of package travel" is replaced by "traveller" and the term "organiser" refers to both the tour operator who sells package travels and the trader who facilitates the purchase of linked travel arrangement. Furthermore, a distinction is made between the concept of "package travels" ("packages") for which the package travel contract is concluded and the concept of "linked travel arrangements". They, although having similar characteristics do not constitute a package travel.

**Package travel contract. Legal nature and characteristics of the contract.** The Tourism Act lays down the principle that package travels may be offered and performed only by duly registered tour operators and travel agents (including traders who provide services in our country without being established here under the conditions of free movement of services). Package travel is only performed on the basis of a contract concluded between the consumers on the one hand and one of the listed entities on the other hand – article 61(2) of the Tourism Act.

The package travel contract is defined as a contract according which one party, the tour operator, obliged to provide a combination of travel services constituting a package travel to the other party, the traveller. The traveller in turn is obliged to pay the total price of the package. The law expressly provides that in order to qualify an agreement as a package travel contract this agreement must cover all services of the package offered and constitute a single whole, and when the package travel is provided through

several separate contracts the package travel contract shall incorporate all contracts for travel services. The contract may be concluded directly between the tour operator and the traveller or through a travel agent acting as an intermediary.

According to the Tourism Act a tour operator is a trader who is registered under the law and entered in the Register of tour operators and travel agents for the purpose of carrying out tour operator activities. He prepares package travels and sells or offers them for sale directly or with the intermediation of another trader. A traveller is a natural person who is entitled to travel on the basis of a package travel contract.

In the doctrine the package travel contract is classified as a consumer contract. Its inclusion in this legal category is justified primarily by the quality of the subjects who conclude it. On the one hand, it is the natural persons as consumers of the respective type of services included in the content of the contract, and on the other – the trader. Consumer contracts stand out from other commercial and contractual agreements by some of their specific features which are unanimously shared in theory. The first is their object – goods or services and the direction of their acquisition is always the same – from the trader to the consumer. The other is the requirement that the consumer be a natural person who acquires the good or service for personal, non-commercial purposes.

Considering the fact that one contracting party undertakes to the other party a series of services or package of services against the agreed price the package travel contract belongs to the service contracts known under Roman law as *locatio conductio operarum*.

**New rules and changes in the legal framework of package travels.** Directive (EU) 2015/2302 sets out a number of new provisions in the area of package travels, the most important of which are in the following directions:

**Scope of protection with regard to the travellers**

The scope of persons covered by the provisions in question is clearly identified and each person as a party of package travel contract or a consumer of linked travel arrangements is being defined as a “traveller”. This avoids confusion between the consumers of travel services for which the specific regulation of Directive (EU) 2015/2302 is intended and all other entities covered by the general term “consumer” used in EU legislation.

**Pre-contractual information**

As a reflection of the general principle of consumer law, the new regulation places a special stress on providing sufficient and reliable information to the consumer. In light of the foregoing, Article 5 (1) of the Directive obliges the organiser and the retailer to provide the traveller, before the conclusion of the package travel contract, a standard form containing all the basic information and characteristics of the proposed package. The introduction of unified pre-contractual information forms and the notification of the consumer about his main rights in the performance of the package travel by referring to the relevant hyperlink obviously aim to create more clarity and security in relations between the contracting parties.

**Definition of the term "package travel"**

In its definitive provisions, the Directive uses the term "package travel", identifying it as the subject of the package travel contract. The clarification of the term in question is of particular importance to both parties of the legal relationship. For the organiser, the proper performance of the agreed package travel is the main for which he has obliged to the consumer. For its part, for the traveller, the content of the proposed package with the number, type of services, their price and characteristics included in it is the essential motive to be bound by a contract. Considering the key importance of the term "package travel", Directive (EU) 2015/2302 defines it explicitly, specifying which services or combinations of services have the characteristics of a package travel. As commented above, as a consequence of the changes in the market conjuncture and the practice of modern business models in the provision of services, the

current definition of a package travel has been substantially expanded in the text of Article 3 (2) of the Directive.

In accordance to that provision of the Directive the term "package travel" is defined in § 1, point 67 of the Additional provisions of Tourism Act. It is *"a combination of at least two different types of travel services for the purpose of the same trip or holiday"*, provided that this combination falls under any of the following hypotheses:

(a) The organiser prepares and combines the travel services included in the package and the consumer purchases these services from him through a single contract, or

(b) Whether the consumer enters into a single contract or several separate contracts with each of the providers of the services concerned those services:

- are purchased from the consumer by the same tour operator/travel agent;
- are offered, sold or charged at an inclusive or total price;
- are advertised or sold under the term "package" or under a similar term indicating a close connection between the travel services concerned (e.g. "all-inclusive", "all-in arrangements" or "combined deal");

- are combined after the conclusion of a contract by which the trader entitles a traveller to choose among a selection of different types of travel services (e.g. a package travel gift box which allows the selection of a particular trip);

- are purchased from separate trader's through online linked booking processes where the traveller's name, payment details and e-mail address are passed to another trader and within 24 hours of booking the first service, a separate contract with this trader is concluded ("click-through package").

It is necessary to specify that in order for a combination of services to qualify as a package it is sufficient that one of the conditions listed in (b) is fulfilled, i.e. these conditions apply alternatively.

It is clear from the legal definition given in the Tourism Act that the package travel is formed by separate tourist services which are its constituent elements. The services that can be included in the package are not-exhaustively listed in the law and are as follows:

- passenger transport;
- accommodation that is not part of the carriage and is not for residential purposes;
- rental of cars and other motor vehicles;
- any other tourist service that is not an integral part of the above three.

Several other features related to the formation of the package should be highlighted:

- if a tourist service, such as accommodation, is combined with another additional service, such as a guided tour or a visit to a football match, the combination of these two services is treated as a package only if the additional service accounts at least 25% of the total cost of the trip or the additional service is the most essential part of the trip;

- if the consumer has chosen and purchased an additional service after the main tourist service (transport, accommodation, etc.) has started, such a situation is not considered a package.

The foregoing shows enrichment of the traditional concept of the package travel, starting from the way it is offered, combined or purchased the services included. Therefore, to packages should refer all combinations of services comprising the characteristics that typically are identified with packages. Vital importance to distinguish them from other similar combinations is the nature of the service and how it is combined with other service/services.

For that reason, package travels should not be identified with similar forms of offering and sale of tourist services, which, however, do not have the inherent characteristics of the package travel. It is related to linked travel arrangements. They, like the standard packages, combine two different types of travel services which are intended to use within the same trip. The main thing that distinguishes them, however, is that the trader, whether offering the services in office or online, is not liable for the proper

performance of all travel services but only facilitates the traveller in the procurement of a single service. Because of the intermediary nature of the business of traders facilitating linked travel arrangements the provisions laid down to the organisers are not applicable to them.

**Right to a reduction of the package price.** In line with the repealed Directive 90/314/ EEC, there was a possibility for the price of the package travel to be revised (increased or decreased) by specifying only the terms and conditions under which the organiser could unilaterally increase the price. Currently, without prejudice to the right of the organiser of price increases, a separate right is created in favor of the traveller – right of a price reduction. The conditions for arising of the right under consideration are set out exhaustively in Article 10 (4), points (a), (b) and (c) of the Directive, namely: where, after the conclusion of the contract but before the beginning of the performance of travel services, any of the following three circumstances is changed: the price of the carriage resulting from the cost of fuel; the level of taxes, including tourist taxes, landing taxes or embarkation or disembarkation fees at ports and airports; the exchange rates. I.e., the reasons for the price reduction are identical to those needed to its increasing, but the change in the circumstances listed above should be in the reverse sign. It is also necessary to reduce the initial price exactly to the value of the decrease in the respective costs and the package travel contract shall state how price revisions are to be calculated.

By their very nature, the right to a price reduction of the traveller should be considered as reciprocal to the organiser's right to increase. The considerations supporting such an opinion are two. First, the right to a price reduction and the right to price increases are characterized by the same features: both arise out of the same conditions; in both cases, the conditions to exercise the right in question are obligatory and can not be supplemented or amended by the contracting parties; the right of a price reduction, respectively of its increase, is exercised by unilateral act of will addressed to the opposite party; as a result of the exercise of the relevant right, the package travel contract is amended; and finally - the possibility of reduction/increase is a result of external, objective reasons which are not attributable to the behavior of the party to whom the relevant right is exercised. Secondly, the legislature has provided that if the package travel contract stipulates the opportunity of price increases the traveller is entitled to a price reduction. Consequently, this right serves the traveller as an equivalent remedy to be opposed to the possibility of a potential increase.

The provision of Article 10 of the Directive does not lay down any specific conditions on how and in what period of time a price reduction may be realized. It should be stipulated in the contract that the traveller can present claims for the price reduction within a certain period of time before the start of the package and in what manner to do that.

When discussing the price of the package, one more question needs to be concerned. According to the repealed Tourism Act, if after the conclusion of the contract the organiser undertakes an increase exceeding 5 % of the contractual price of the package, the latter qualifies as a significant change of the contract - Article 89 (2) bringing the legal consequences specified in this hypothesis: the first option for the traveller is to accept the changes, and the second - to terminate the contract by accepting a substitute package offered by the organiser or to insist the refund all payments made under the contract. By way of comparison, after the transposition of Directive (EC) 2015/2302 into the national legislations of the Member States, the consumer affected by alteration of the price is able to exercise his right of termination of the contract and his right of a substitute package only if the increase of the price of the package is more than 8 % - Article 11 (2) of the Directive. In practice this will lead to lower level of consumer protection to detriment of his interests. In this connection, I consider by adopting the relevant provision into national law, the legislator should provide an additional remedy which would allow the consumer to resist such a deterioration of his position under the contract.

**The right of withdrawal by reason of force majeure.** If, after the conclusion of the contract and before the start of the package arise circumstances which could significantly affect the performance of

the package or make it impossible to the travel safety, the traveller shall be entitled to terminate the contract - Article 12 (2). The circumstances in question need to be force majeure - to be unforeseen and unavoidable in the organiser's usual practice and to constitute an external, unexpected or suddenly occurring obstacle such as serious security problems at the place of destination or its immediate vicinity (warfare, terrorism, serious disease, natural disasters - floods, earthquakes, etc.). The assessment whether the performance of the travel services included in the package is threatened or is possible to be significantly affected is with a view to the concrete situation, by comparing the total cost of the travel, the type and number of services included, the importance of the service concerned, and its specific gravity compared to others, etc.

If, in accordance with Article 12 (2), the traveller uses his right of withdrawal, the package travel contract shall be terminated and the organiser shall be obliged to refund all payments made for the package. In case the traveller has suffered damages exceeding the price of the travel, the latter may present claim of compensation under the general rules. For the termination of the contract the traveller does not pay any termination fee.

In comparison with the repealed Directive 90/314/EEC it did not provide the consumer a special right of withdrawal by reason of force majeure. The organiser only was entitled unilaterally to cancel the trip before its beginning. This could happen in the event of circumstances which make impossible the performance of the travel (except for reasons attributable to the consumer). Providing of a separate right for the traveller to terminate the package travel contract under certain conditions deserves support. This allows the threatened participant in the trip to react duly and protect his or her interest in time when the organiser is passive.

**Liability for the performance of the package.** According to the imperative rule of Article 13 (1) of the Directive, the organiser of the trip is the person to whom the liability for failure to perform or improper performance of the services included in the package travel contract is attributed. He is liable also for the behaviour of his employees and third parties travel services providers who have caused damages for the traveller. It is at his disposal the right to seek redress from any person who has directly caused the damages. The liability of the retailer may be brought only if the national law of the Member State introduces such a provision. In this case, the retailer is liable on the same grounds and in the same scope as the organiser.

However, the following question appears: if the liability is assigned both to the organiser and the retailer, what should it be: solely or joint liability? In the doctrine it is proposed to apply joint liability for the organiser and the retailer as a solution which satisfies in the utmost degree the interests of the traveller. The main argument against such an approach is that it would be too drastic for most Member States where travel agencies are small traders unable to make high profits on their business.

The package travel contract may provide an upper limit of the compensation to be paid by the organiser for damages caused to the traveller as a result of non-performance of the package. Limitation of liability does not apply in case of personal injury and damage caused intentionally or with negligence. The upper limit of liability provided for in the contract can not amount to less than three times the total price of the package.

**Organiser's insolvency protection.** The organisers and the traders facilitating linked travel arrangements are obliged to provide the travellers security covering their liability for damages. The security shall cover the refund of all payments made by or on behalf of traveller in case the contractual travel services have not been totally or partially performed due to incurring debts to contracting parties and service providers and insolvency of the trader. If the carriage of passengers is included in the package travel contract, organiser also provides the security for the travellers' repatriation.

As a security it can be used a valid insurance policy, the establishment of a guarantee fund or another means provided for in the national legislature. With the purpose of ensuring a high level of consumer protection, it is explicitly provided that the security shall benefit travellers regardless of their

place of residence, the place of departure or where the package is sold and irrespective of the Member State where the entity in charge of the insolvency protection is located. However, the transposition of the provisions regarding the insolvency protection in the national law of the Member States may lead to significant divergences and very specific regulations with regard to the traders offering packages within the Union. This will be an obstacle to the organisers to benefit fully from their right of free movement of services and freedom of establishment contrary to the main principles of Directive (EU) 2006/123. Therefore, each Member State is obliged to recognize as meeting the requirements of its national law any insolvency protection provided by an organiser or a trader facilitating linked travel arrangements under the law of the Member State of his establishment.

**Level of harmonization.** In contrast to the repealed Directive 90/314/EEC, the new Directive uses a full harmonization approach and does not allow the Member States to introduce in their national law provisions diverging from those laid down in the Directive, including more or less stringent provisions. As addressees of the Directive, Member States can not diverge from its specific requirements, except for specified aspects where more or less flexibility is possible.

The use of this harmonization approach results from the desire of the European legislator „to contribute to the proper functioning of the internal market and to the achievement of a high and as uniform as possible level of consumer protection” (Article 1). To take account of the above mentioned the expected result after the transposition of the provisions of the Directive is improving and detailing the degree of travellers protection across the Union. This is possible through unification of legal rules regarding the organisers and the retailers offering and selling package travels.

#### **CONCLUSION**

The legal provisions considered above, as well as other new rules of Directive (EU) 2015/2302 show the development and enrichment of Union consumer protection legislation. Main rights of participants in package travels are laid down in detail, such as: the right to receive all essential information about the package before concluding the package travel contract; to transfer the package to another person before the start of the travel; to be offered suitable alternative arrangements in the event of significant changes in any of the main characteristics of the travel services (substitute package); to terminate the contract unilaterally at any time before the start of the package including in case of unavoidable and extraordinary circumstances; to a price reduction and compensation for material and non-material damages because of non-performance or improper performance of the relevant travel services; to become appropriate assistance when he/she is in difficulty during the trip, etc.

At the same time, independently of the imperative rules, a number of important issues of package travels are left to the discretion of the Member States, including: the way in which insolvency protection requirements shall be implemented; whether these requirements apply only to the organiser or to the retailer too; the possibility for each Member State to go beyond the limits of the Directive by regulating in their internal law aspects of tourist activities not covered by the Directive; the period of time within which pursuant to Article 12 (1), after the conclusion of the contract and before the beginning of the performance of travel services the traveller is entitled to terminate the contract and so on.

There is no doubt that the detailed and updated provisions of the Directive are a better instrument for the protection of package travel consumers, especially those who prefer to book the desired travel services online. At the same time, the current version of the Directive raises potential problems and creates a number of unclarified provisions that are debated in theory. For example, the principle that a tour operator is liable for non-performance of his contractual obligations to the traveller, whether or not he has acted intentionally, is a central concept of the Directive. However, strict liability is only accepted by some Member States' legislation.

The other question is related to the fact that the share of the packages (both traditional and purchased online) is decreasing more and more at the expense of individual tourist and other services

(accommodation, transport, transfer from one place to another). These services the consumer buys independently through intermediary online platforms taking into account their own preferences and interests. Therefore, would it not be more appropriate to provide additional protection for purchase of such single services (including cancellations and duplicate bookings through no fault of the traveller) instead of focusing, as at present, only or mainly on travel packages?

In addition, as has been made clear, an important link in the structure of the Directive (EU) 2015/2302 is the information obligations of traders offering package travels and linked travel arrangements and the penalties of non-performing of these obligations. However, it is not always clear from the text of the Directive in which cases the information obligations should be performed by the tour operator alone and when by the travel agent. And if the agent failed to provide the necessary information to the consumer, who should bear the prescribed penalty – the intermediary or the organiser? In this sense the lifetime of the Directive under analysis in the EU legal system does not seem to be long-term and it is perhaps more reasonable to consider it as a legal act of a transitional, temporary nature.

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