

recently an area that had exemplary position in relation to Quality of Government and new generations considered as an area that would provide them sufficient opportunities to return to after a journey in the opportunities elsewhere. This has changed very dramatically quite recently; the land market seems not to reflect this yet.

#### 5.1.4.1 Bulgaria (BG424 Smolyan; BG425 Kardzhali)

The Bulgarian regions of Smolyan and Kardzhali are located in the South-Central region of Bulgaria. In a comparative paper, Doitchinova *et al.* (2018) compare the development in this South-Central region with the development of less-mountainous regions in North-West of Bulgaria, which includes regions as Montana, Vidin and Vratsa. In regions as Smolyan traditional family farms having mixed crops staid dominant in the agrarian structure. In the North West, however, 'modernization' took place at a large scale through the processes of (1) intensification, (2) specialization and (3) concentration (Doitchinova *et al.*, 2018). This resulted in more hired personnel and less family farming and in a different land market structure, which much larger land holdings and a larger percentage of rented land. The relationship between owners and renters is based on the revere land tenure situation (Doitchinova *et al.*, 2018). The process of modernization has been supported by the CAP, which has allowed for funding the investments necessary to 'modernize' the farming sector. In relation to rural development however, Doitchinova *et al.* (2018), conclude that the modernizing areas have developed much more negatively than the more traditional farmed areas in the South Central area, such as Smolyan and Kardzhali, which this kind of CAP funding is less used and which have witnessed a relative much better development, than the modernized areas in the North West (Table 28).

Modernizing areas (Northwest)	Traditional areas (South Central)
<ul style="list-style-type: none"> <li>• unemployment is rising</li> <li>• the population is aging;</li> <li>• migration processes are higher;</li> <li>• the concentration of agricultural production is faster (74.3% of the farms were destroyed in the last 10 years, while 61.6% in the Southern Central Region) and the average size of farms is growing;</li> <li>• high degree of specialization of production on farms;</li> <li>• the relative share of rented land increases;</li> <li>• reduction in the use of labour and family labour in agriculture.</li> </ul>	<ul style="list-style-type: none"> <li>• unemployment in rural areas is lower</li> <li>• employment in agriculture is increasing</li> <li>• family farms dominate, a large part of which is semi-marketable</li> <li>• farmers grow more and more diverse products creating higher added value</li> <li>• more farms that develop other activities as source of additional income.</li> <li>• a more diversified rural economy</li> <li>• higher entrepreneurship</li> <li>• higher added value, including agricultural activities and tourism.</li> </ul>

**Table 28 Modernizing areas in Northwest Bulgaria compared to traditional areas in South Central (Doitchinova *et al.*, 2018, 256-258)**

So, based on the comparison of Doitchinova *et al.* (2018) it can be concluded that the CAP is not only supporting the development of the reverse land market of few powerful tenants and

many small owners in the less mountainous areas of the Bulgarian Northwest, but this development seems not to contribute towards a more sustainable rural development. Areas that are not following the path towards scale enlargement, perform better in rural development, than areas that modernize supported by the EU instruments.

#### **5.1.4.2 Rhodes (EL421 Kalymnos, Karpathos, Kos, Rodos)**

On the Greek Islands tourism is a major economic force affecting land use. This results in land speculation, which has been studied by Triantafyllopoulos (2017) in a case study on the village of Faliraki, which has less than 300 permanent residents, but a tourist capacity of over 24,000 beds. It is located at the east coast of Rhodes about 15 km from the island's main urban centre. Many of the tourist facilities have been developed in the agricultural hinterland of the village (Triantafyllopoulos, 2017). Triantafyllopoulos (2017) has studied the land market by analysing cadastral information, as it was set up by the former Italian administration of the Island and which was based on the German *Grundbuch* system, which also means (just as in the German situation) that the information is not open and transparent to all, but that the researcher needed 'special permission granted by the Ministry of Justice' (Triantafyllopoulos, 2017, 17) to access the data and was limited by this permission in presenting outcomes. In the German context there are specific property committees that have access to transaction data and publish reports on the land market (AK OGA, 2019). This is missing in the Greek context: 'Reliable information on land transactions is very hard to find, because they are always covered by confidentiality.' (Triantafyllopoulos, 2017, 17). So, the institutional transplantation of the German system, via Italian administrators, has been incomplete. The confidentiality of the cadastre is there, but the transparency of the market by producing authoritative market reports based on this confidential information is missing. This had also as consequence that the study of Triantafyllopoulos (2017) covered rather old data, transactions between 1970 and 1995. The study does show, however, that state subsidies for the regional development of Rhodes were capitalised in land values.

'Thus, speculation in the tourism financing system was transmitted to land market and transformed to land speculation, accommodated by the permanent conditions of limited supply of land due to the ownership structures and despite the inefficient land use planning control, the later has resulted in the progressive sprawl of tourist equipment across the whole area of study and the production of a semi-urban environment of low quality (...)' (Triantafyllopoulos, 2017, 25).

Moreover, it showed that, at the time that economic powerful tour operators established lower room prices for their package deals, the consequences, as investors could not pay their mortgage loans were, again, taken by the state.

'The banks, which were state-owned and controlled, could not allow the large mortgages to be wasted through confiscation and at the same time create irreparable socioeconomic damage in Rhodes; tourism is the main source of income on the island (...). The solution was provided by the government itself, as the loans were often restructured, the interests were capitalised or new bank loans were provided so as to secure the continuation of financing to the enterprises. This was, to a high degree, the