
Tourism and Europe's Shifting Periphery: Post-Franco Spain and Post-Socialist Bulgaria

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This article examines how Spain's tourism industry was developed using European Union (EU) grants in the 1980s and 1990s, and how this strategy was later deployed to post-socialist Europe (illustrated using the case of Bulgaria). The article shows that peripheral modernisation was an important mission in the evolution of the EU and urban development for tourism played a major role in two successive post-dictatorial societies. Tourism was considered a key economic sector that addressed the reality of deindustrialisation and also served as a useful metaphor for intra-European mobility and the symbolic power of the leisure economy.

Europe was in a confident mood in 1992 as the Maastricht Treaty was signed. The shock of 1989 and the quick crumbling of the Iron Curtain seemed less of a threat to the stability of Western European countries and more of an opportunity to tighten the bonds between East and West that had frayed during a half century of communism. The twelve European Community countries that signed the agreement were eager to use the moment to push for greater European integration, having worked for a decade to secure the political compromises necessary to bring the process of cohesion into 'second gear'. They saw economic cohesion – based on regional trade, tax codes and, most notably, the creation of the common currency – as the most convenient and efficacious means to move toward political union. Officials regarded economic treaties as both an easier goal than political cohesion and also a catalyst for future governmental reforms.¹ When the euro was created at Maastricht it was intended to signify not just a more muscular, quicker moving European Union (EU) but also the extension of regional development commitments to potential member countries to the East.

This article examines how EU regional development policy moved from the economic support of the Mediterranean, in the 1980s, to Eastern Europe, in the late 1990s, using the growth strategies of infrastructure improvement and urbanisation

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¹ Craig Parsons, *A Certain Idea of Europe* (Ithaca, NY: Cornell University Press, 2006).

to bolster tourism. The search for post-industrial economic possibilities became a key part of regional development policy: first, in post-dictatorship Spain, Portugal and Greece and, later, in post-socialist Eastern Europe. Drawing on neo-functionalism arguments regarding the EU's transition from economic to political cooperation,² this article argues that Spain's economic ascent in the 1980s and 1990s served as a model for EU regional development policy and gave a special primacy to urban development and the burgeoning tourism industry.³ Tourism, as a distinct area of economic activity, followed the neo-functionalism philosophy of discrete methods of integration in markets that would in turn create networks that would later be mobilised for non-commercial forms of cooperation.⁴ Using the case of Bulgaria in the 1990s and early 2000s, the article shows that the EU redeployed strategies tested in Spain in an effort to invigorate tourism markets and improve infrastructure in post-communist Eastern Europe, where land reform and property development were quintessential aspects of post-communism.

Both Spain and Bulgaria had a pre-democratic move toward the tourism economy that tracks onto the two regimes' attempts to liberalise. In Franco's Spain, the industry was part of the modest political and economic reforms of the 1960s meant to reconnect the country with democratic Europe. During the same period, the Bulgarian Communist Party, led by Todor Zhivkov, used Black Sea tourism for visitors from Warsaw Pact countries (along with limited guests from Western Europe) to provide foreign currency. Yet both countries' tourism industries achieved a greater economic scale during the democratisation process and, because improvement of the tourism economy took place during times of political transition, it became associated with cultural openness and the strengthening of pan-European political and economic ties. Drawing on secondary historical sources and, to a lesser extent, interviews with policy makers, tourism promoters and property developers, the article examines urban development for tourism as an often-used regional development strategy for two different, chronologically successive, peripheries.⁵

New spaces of leisure, such as coastal strips of hotels and second homes, were often publicly associated with European cohesion.⁶ Starting in the 1990s, multinational construction companies, hotel chains and tourism conglomerates prospered in both Mediterranean and Eastern Europe, making the public-private infrastructure investment strategy, pioneered in Spain, a lasting EU development method. While

² Philippe C. Schmitter, *How to Democratize the European Union . . . and Why Bother?* (Lanham, MD: Rowman & Littlefield Publishers, 2000).

³ Marisol García, 'The Breakdown of the Spanish Urban Growth Model: Social and Territorial Effects of the Global Crisis', *International Journal of Urban and Regional Research*, 34, 4 (2010), 970.

⁴ Ben Rosamond, *Theories of European Integration* (New York: Palgrave Macmillan, 2000).

⁵ The article makes use of 145 interviews with real estate developers, architects and urban planners, tourism promoters and development officials conducted in Spain and Bulgaria. The interviews took place from 2012–2015 in the cities and regions of Sofia, Varna and Burgas (Bulgaria) and Madrid, Valencia, Alicante and Málaga (Spain). The interviews were also supplemented by ethnographic participant observation (none of which is included in this article). Interviews were conducted in Bulgarian, Spanish and English, depending on the English level of each informant.

⁶ Jean-Didier Urbain, *At the Beach* (Minneapolis, MN: University of Minnesota Press, 2003).

the 2008 crisis has re-problematised regional incorporation, a shared sense of post-authoritarian sequential incorporation into the European Union in Southern and Eastern Europe persists.⁷ It has created a development narrative that articulates notions of Europeanness, drawing on tourism as a common trope of modernisation as well as democratisation.⁸ This ideology, which began in the 1980s in Spain, took on new resonance in post-communist Europe, where recreating private property markets was a paramount concern of newly elected democratic governments. However, both Southern and Eastern Europe struggled with overdevelopment and corruption in the construction industry and the 2008 crisis has raised questions about the effectiveness and environmental costs of the tourism development model. The article ends by showing how this development logic comes from a long history of Western European countries viewing the Southern and Eastern peripheries as incompletely European due to poverty and underdevelopment:⁹ a problem of EU solidarity exacerbated by conflicts arising from the 2008 economic crisis.¹⁰ It also reflects on the more general global trend of peripheries drawn into commercial relationships with regional political-economic centres of power, often ending in disappointment for countries on the 'edges' when development promises are not met or end in environmental or social conflict.¹¹

Europeans Together at Last

One of the major achievements of the European Economic Community (EEC), prior to the passing of the Maastricht Treaty, was the solidaristic development of Mediterranean Europe in the 1980s, when wealthier Northern countries began supplying infrastructure development grants to their poorer Southern neighbours.¹² The level of expenditure, number of programmes and intricacy of their institutional architecture made it clear to those in the European Community that wealthy countries would henceforth treat developing countries in Europe as if they were struggling regions within their own nation.¹³ This strategy had the effect not just of alleviating regional inequality but also of mollifying EU critics by demonstrating that EU cohesion would seek to build, protect and spread basic tenants of a welfare state society rather than promoting economic liberalisation and state divestment.¹⁴ To the delight of the post-war political class, nationalism seemed to be waning in some

⁷ Juan J. Linz and Alfred Stepan, *Problems of Democratic Transition and Consolidation: Southern Europe, South America, and Post-Communist Europe* (Baltimore: Johns Hopkins University Press, 1996).

⁸ Chris Rojek, *Decentring Leisure Rethinking Leisure Theory* (Thousand Oaks, CA: Sage Publications, 1995), 41.

⁹ Immanuel Wallerstein, *World-Systems Analysis: An Introduction* (Durham, NC: Duke University Press, 2004).

¹⁰ Perry Anderson, *The New Old World* (New York: Verso, 2009).

¹¹ Wallerstein, *World-Systems Analysis*.

¹² Tony Judt, *Postwar: A History of Europe Since 1945* (New York: Penguin, 2006), 257.

¹³ Parsons, *A Certain Idea of Europe*.

¹⁴ Andrew Gamble, *The Free Economy and the Strong State* (New York: Palgrave, 1994).

countries and spending across the European Community served as a basic litmus test of continental solidarity. The expert-led European Regional Development Fund (established in 1975) quickly exceeded member countries' individual preferences for lower spending and disbursed funds following a Keynesian model of economic stimulus via large long-term grants.¹⁵ However, some regions became more adept at attracting consecutive grants while others never developed the local political capacity to effectively petition for support. The general theme of regional policy, starting as far back as the Werner Plan in 1969 (which first made the case for monetary union), was maturation: Mediterranean countries would need significant assistance to create infrastructure and institutions that would develop the economic health necessary for monetary integration.

Neo-functionalists critics have derided this pathway as overly-simplistic and wilfully blind to the ways in which EU nations followed their own interests while pursuing cohesion – particularly wealthier export-driven economies in the EU core.¹⁶ However, many political scientists and EU policy makers have emphasised sacrifice and solidarity between regions and countries as a major ideal and reality behind European cohesion beyond a simple search for regional stability.¹⁷ EU policy makers often saw regional cohesion as an evolving project that started in Southern Europe but faced its real test in Eastern Europe, starting in the 1990s and continuing to the present. Indeed, just three weeks before the Berlin Wall fell on 17 October 1989, Jacques Delors, President of the European Commission, attempted to persuade an audience at the College of Europe that a new era of regional cooperation must be embraced and, like in Southern Europe, what was needed was vast amounts of money:

The European Community, and the peoples and nations that it encompasses, will exist truly only if it has the means to defend its values and to apply them for the benefit of all, in short, to be generous. . . . And, Ladies and Gentlemen, if I insisted so much on the Institutions it is very simply because the matter is urgent. History does not wait. Given the major upheavals experienced by the world today, and more particularly by the other 'Europes', it is essential for the Community, made strong by renewed dynamism, to reinforce its cohesion and to set objectives commensurate with the challenges that History recently confronted us with.¹⁸

Delors used the idea of 'other Europes' (meant primarily to refer to European countries behind the Iron Curtain) to emphasise the EU, not as an entity, but a process. This process began as a modernisation drive in post-dictatorial Portugal,

¹⁵ Gary Marks, Fritz W. Scharpf, Philippe C. Schmitter and Wolfgang Streeck, *Governance in the European Union* (Thousand Oaks, CA: SAGE Publications, 1996).

¹⁶ Fritz W. Scharpf, *Governing in Europe: Effective and Democratic?* (Oxford: Oxford University Press, 1999).

¹⁷ Judt, *Postwar*, 532.

¹⁸ In the same speech Delors makes clear that he rejected parallels with the federalism of the United States. He states that the European Community is a unique economic and political experiment that should not be compared to other post-national projects. Also, as was strongly suggested by François Mitterrand several years earlier, Delors endorsed the idea that the European Community's key function would be the economic protection of the welfare state. Centre Virtuel de la Connaissance sur l'Europe http://www.cvce.eu/content/publication/2002/12/19/5bbb1452-92c7-474b-a7cf-a2d281898295/publishable_en.pdf (last visited 20 July 2017).

Spain and Greece – bearing some resemblance to French colonial infrastructure modernisation projects in North Africa – but, in contrast, fielding the idea of the manageable European semi-periphery unlike the untenable and outmoded colonial development projects in the ‘world periphery.’¹⁹ Delors felt that this ethos of dual political and economic development had to be reaffirmed in order to assist and absorb post-communist Europe. The task of strengthening the poorer and less stable ‘Europes’ was primarily a fiscal and technocratic task but, one can assume, this economic project would have a major political reward. The identification of ‘other Europes’ is also an extension of the concept of ‘peripherality’ in which a European nucleus – based in the Benelux countries, France, Italy and West Germany – offers tutelage and material resources, in the form of development grants, to the ‘edges’ of Europe. Finally, it is not incidental that economic support was linked to political stability at the exact same moment as war and ethnic conflict were erupting in the former Yugoslavia.

Early efforts at EU integration were encouraged by two interconnected logics of development. The first was the belief that wealthier European nations had the obligation to fund and help manage the development of their poorer Mediterranean neighbours. The second was the conviction that the welfare state was the greatest triumph of post-war politics and that the only means to protect it, in an era of rapid globalisation, was by internationalising it as a pan-European commitment.²⁰ This meant regional economies would have to be liberalised and combined in order to avoid more severe effects from non-regional forces in the United States and Asia. Integration was a fiscal imperative that mended together two contradictory logics: the economic liberalisation advocated by Milton Friedman (and enthusiastically taken up by Reagan and Thatcher) and the distributive goals of the social democratic welfare state more common in continental Europe. While advocates of these two competing economic philosophies found cooperation difficult, both saw their own priorities reflected in greater European integration and both sides hoped to best their competitor in the actual logistics of the integration process.

Until the 1992 signing of the Maastricht Treaty, the solidarity of EU members was most often expressed through the commitment of structural funds to address regional inequality. This was mostly a North–South transfer (with the exception of the first years of German reintegration and Ireland). Members such as West Germany, France and the Netherlands shouldered the burden of infrastructural development in Southern Europe. An early and notable success was a partnership with the Italian government in Rome to bankroll and supervise extensive modernisation of roads, water treatment, public housing and essential infrastructure in historically poor Southern Italy. This plan, called *La Cassa per il Mezzogiorno*, was initiated in 1950 and wrapped-up by the mid 1980s. It was hailed as a critical success for the EEC, which had previously focused on trade agreements, because a great deal of

¹⁹ Paul Rabinow, *French Modern: Norms and Forms of the Social Environment* (Chicago: University of Chicago Press, 1995).

²⁰ Samuel Moyn, *The Last Utopia: Human Rights in History* (New York: Belknap, 2012).

urban infrastructure was built in what was (and perhaps still is) the region of Europe singularly known for official corruption and mafia influence. The achievements of this endeavour buoyed the EEC despite the challenging economic environment of the 1980s and focused many politicians on the task of using the funding, expertise and public–private model advocated by Brussels. Increasingly, the EEC saw itself as an important conduit for development funds to be used for the specific purpose of urbanisation and modernisation of infrastructure. While its policies in the European core, specifically West Germany, stressed industrial modernisation and more aggressive competition with the United States through expanded internal markets, its policies in the periphery were often focused on transport and infrastructure development for the growing industry of tourism.²¹

The Mediterranean Emerges from Fascism, Thirty Years Too Late

When the EEC began contemplating ways to develop Europe's national and regional economies more evenly in the 1980s they combined two goals. The first was to ameliorate the continent's historically varying degrees of development between North and South through enormous development grants. The second was to promote good governance and to prevent any country from embracing dictatorship or Eurocommunism. The latter was primarily an issue in Italy where the Italian Communist Party had many impressive electoral victories in the 1970s, but the former applied to the entire swath of Mediterranean Europe, which had been governed by military dictatorships. Portugal, Greece and Spain started the 1980s as newly minted but unstable democratic countries. Developing these countries' economies was a political necessity for EC policy makers seeking to ensure a solid fiscal path to democratic statehood. Officials at the highest level of the European Community believed that economic development would promote civil society and prevent the formation of weak states susceptible to military coup or authoritarian leadership.²² Spain was the most important model in this trio because of the length of Francisco Franco's dictatorship and the sheer amount of funding that Spain received from the EEC.²³ All of the Mediterranean, including Spain, was developed using a strategy that emphasised rapid improvement of aging infrastructure, compromises by organised labour and a shift in focus from manufacturing to tourism and services. The EEC was also deeply invested in creating credit economies in Southern Europe, where they had not previously been strong or existed at all. This occurred both at the level of the individual borrower – who was encouraged to consume more – and

²¹ John K. Walton, 'Seaside Resorts and International Tourism', in Eric G.E. Zuelow, ed., *Touring Beyond the Nation: A Transnational Approach to European Tourism History* (New York: Routledge, 2011).

²² Sheri Berman, *The Primacy of Politics: Social Democracy and the Making of Europe's Twentieth Century* (New York: Cambridge University Press, 2006), 181.

²³ By 1993 Spain was receiving 58 per cent of European cohesion funds followed by Ireland, Greece and Portugal, which were all target areas that were prioritised to update infrastructure using approximately 2 billion US dollars annually (Annual Report Cohesion Financial Instrument, Commission of the European Communities 1993/1994). <http://aei.pitt.edu/3992/1/3992.pdf> (last visited 20 July 2017).

the state – which was given a line of credit and grants to make long-awaited urban improvements.

Spain, and much of the rest of Mediterranean Europe, started the 1970s as economic and political outcasts. While France had enjoyed the 'glorious thirty' (*trente glorieuses*), Spain's economy was moribund, its dictator infirm but still in control and its political class soaked in the radically conservative Catholicism of Opus Dei. Like Portugal and Greece, dictatorship had partially severed Spain's political ties with the rest of Western Europe and military rule had stifled economic growth due to mismanagement and lack of cooperation from wary neighbours. When Spain did ratify a democratic constitution in 1978, Brussels expanded every relevant institution to support development grants, loans and other forms of assistance to the new government, particularly modernisation of rail and highway networks.²⁴

Development of Southern European economies was accepted as an important enough mission that it was worth a sizable regional wealth transfer which took place during the economic uncertainty of the early 1980s. However, due to West Germany's pre-eminence in industrial production and technology, the European 'centre' tended to encourage Southern European countries to look beyond industry and manufacturing as areas for investment. This was not simply a West German-backed means to limit internal competition, as EU trade barriers went down, but a very real economic forecast about the viability of manufactured products from Southern Europe given Asian and North American competition. For this reason EU funds were often deployed to stimulate the growth sectors of tourism, housing and urban modernisation. In this sense the global dimension of EU economic integration was a form of 'soft' – or regional and thereby incomplete – globalisation coupled with modest compromises from organised labour. While a specific variety of tourism development, which prioritised regional travel and investment, flourished in the 1980s, it reflected the global growth of the industry and its propensity to seek out public–private investment strategies.²⁵

During the 1980s Spain became a unique example of how European cohesion could jumpstart a languishing economy and how the dismantling of barriers to international investment and travel could dramatically change Mediterranean Europe economically, socially and physically. Paradoxically, this strategy had already begun in the late Franco years, when the combination of tourism and construction became a well-regarded antidote to industrial malaise. By the early 1980s development of cities like Málaga, Benidorm and Alicante exploded with new hotels, coastal resorts and entertainment facilities as well as growing populations brought from interior provinces for jobs. Spain's successes, given its considerable population, were hailed widely by development experts and soon had economic ministers visiting from all

²⁴ Julio Crespo MacLennan, *Spain and the Process of European Integration, 1957–85: Political Change and Europeanism* (London: Palgrave, 2000).

²⁵ Eric Zuelow, *A History of Modern Tourism* (New York: Palgrave Macmillan, 2015).

corners of the globe.²⁶ Tourism made good fiscal sense given a long history of Northern Europeans coming South. The warm climate, along with the promise of easier travel between countries with the dismantling of borders, helped a truly mass tourism culture emerge in Europe that was internationalised more and more each year (especially with the deregulation of national airline monopolies in the 1990s and emergence of budget airlines).

Southern European countries were particularly excited by tourism development because it fitted into a popular narrative of virtuous economic advancement, in which regions could start at the ‘bottom’ of mass tourism and – using skills, infrastructure and investment accrued during this stage – could build modern economies. In post-communist Eastern Europe, a decade later, this ideology would be even more triumphantly embraced because of the symbolism of tourism development as a return to the norms of private ownership and the physical freedom to travel internationally.²⁷ In this development narrative the social and environmental effects of tourism pay off because they lead to international investment and transferrable skills that can be used in a future knowledge economy. A 1987 Australian newspaper article about the dramatic success of the Spanish tourism industry makes this progression, as well as its significant risks, clear: ‘Indeed as an agent of social change and an economic force in Spain, tourism cannot be overestimated. . . . It is a tribute to the strength of the Spanish character that the scale of tourism in the country has not caused tremendous havoc, especially on the beach resorts along the *costas*.’²⁸ Leisure spaces – like umbrella-dotted beaches filled with cheerful tourists from a variety of countries – were popular symbols of the post-Franco success narrative, and as a formerly repressive and closed society, the search for examples that mixed cultural with political change was a top priority for national rebranding to the wider European public.²⁹ As the 1980s progressed, tourism came to serve as a synecdoche of the entire country’s recent political and economic history.

Spain’s Triumphant Re-Emergence

Spain became a model of how to acquire and spend EEC development grants in the 1980s by harnessing the Franco-era tourism industry and scaling up the size of resorts with foreign investment.³⁰ At the same time that tourism was being touted,

²⁶ Mónica Degen and Marisol García, ‘The Transformation of the “Barcelona Model”: An Analysis of Culture, Urban Regeneration and Governance’, *International Journal of Urban and Regional Research* 36, 5 (2012), 1022–38.

²⁷ Anne E. Gorsuch and Diane P. Koenker, eds., *Turizm: The Russian and East European Tourist under Capitalism and Socialism* (Ithaca, NY: Cornell University Press, 2006).

²⁸ Andrew McCathie, ‘Spain Seeks to Change Its Tourist Image’, *Australian Financial Review*, 28 Oct. 1987, 80.

²⁹ Melissa Aronczyk, *Branding the Nation: The Global Business of National Identity* (New York: Oxford University Press, 2013).

³⁰ Many have persuasively argued that Spain faced a major infrastructural deficit when it emerged from fascism in 1975 because it was never the beneficiary of Marshall Plan financial support in the wake of

the socialist government of Felipe Gonzalez agreed to policies that ignored industrial development in favour of leisure, services and real estate.³¹ Underinvestment and lack of modernisation had left many factories in poor condition and regional leaders saw infrastructure for tourism – including new roads, trains and airports – as essential to their survival. Many regions, such as Andalusia, had consigned themselves to agricultural production and out-migration to cities during the Franco era. EEC investment funds threw these regions an economic lifeline and both the conservative Partido Popular and the Socialist Party (*Partido Socialista Obrero Español*; PSOE) used structural grants as a means to win favour and solidify their power within regions and provinces. As Spanish regions were empowered with access to new EEC funding they also demanded more autonomy in political affairs, which had long been suppressed by Franco.³² This new regional independence gave places like Valencia and Andalusia (and, more notably, the Basque Country, Galicia and Catalonia) increased leeway to operate without financial oversight from Madrid, but also entered them into competition with each other to attract foreign investment, EEC grants, visitors and, increasingly, homebuyers and semi-permanent residents.

Tourism and construction began in earnest in Spain during the late 1950s when Franco realised that the economic isolation of the previous two decades would lead to catastrophic fiscal repercussions.³³ The EEC, US State Department and World Bank all sought recognition of the growing interdependence between Spain and the rest of Western Europe. In 1962 the World Bank published a report stating that a major way forward for Spain would be through tourism:³⁴ an economic shift already supported by reformers in the Franco government like Manuel Fraga (who served as the Minister of Tourism and was a key figure in softening the dictator's negative image in other European countries).³⁵ The political reward for this reform was the right to host the UN World Tourism Organization (UNWTO) conference in 1966 and the eventual permanent relocation of UNWTO to Madrid in the year of Franco's death (1975). When democracy came to the Iberian Peninsula in the 1970s, members of the EC commenced offering infrastructure grants. In short order Spain's rural regions were transformed by modern highways that increasingly carried summer

the Second World War. Indeed, there is an interesting historical parallel between Germany's support for Southern European infrastructural development in the 1980s and 1990s as a means of recognition of all that was accomplished using Marshall Plan funds in that country in the 1950s.

³¹ Isidro López and Emmanuel Rodríguez, 'The Spanish Model', *New Left Review* 2, 69 (2011), 5–29.

³² Luis Moreno, *The Federalization of Spain* (London: Frank Cass, 2001).

³³ Sasha D. Pack, *Tourism and Dictatorship: Europe's Peaceful Invasion of Franco's Spain* (New York: Palgrave Macmillan, 2006).

³⁴ Juan Velarde Fuertes, 'La nueva política económica española y el informe del Banco Mundial', *Cuadernos de Información Económica* 90 (1994), 209–24.

³⁵ Reforms in the Franco regime during the 1960s empowered a new governmental elite characterised by a technocratic ethos different from their predecessors. This was particularly true for the promotion of tourism. Fraga's tourism strategy of national symbolism mixed with 1960s advertising was a bit too blatant for many Spaniards and when the slogan 'Spain is Different' appeared (often accompanied by photos of *sevillanas* dancers) it quickly became a joke. A simple change of tone could convey all that was still *different* politically, culturally and economically in Franco's Spain compared to the rest of Europe.

holidaymakers from France, Belgium and West Germany. Northern Europeans were initially attracted to Valencia, Catalonia and Andalusia because of rural charm and a sense of timelessness.³⁶ However, this began to change as regional developers, enriched by the growth of the tourism industry and better access to credit, built new hotels and resorts. Cities like Benidorm, on the Costa Blanca, quickly sported international hotel chains and tourism facilities and began embarking on further infrastructure projects, such as rail and airports, using newly available loans. The physical transformation of touristic coastal areas also cannot be overstated: by the early 1990s Benidorm had more high-rises than Madrid.

The first disbursements of European Regional Development Funds (ERDF) that began to reach Spanish regions in the late 1980s were earmarked almost entirely (98.24 per cent) for infrastructure development because improvement of manufacturing was not a priority. Poor regions, such as Andalusia, were the main beneficiaries and many of the funds were spent on projects ostensibly aimed at local residents but also meant to bolster the tourism economy. Of the 1987 budget, 39 per cent of the total assistance for Spain was directed to projects in Andalusia, the most substantial of which was the modernisation of Malaga airport – an essential piece of tourism infrastructure.³⁷ Indeed, the rehabilitation of regional airports with EC grants and public–private partnerships became a key strategy in high potential coastal destinations, such as Girona, Alicante and Murcia, subsidising the cost of opening new tourism markets.³⁸ At the same time the socialist government was trying to maintain the velocity of the growing tourism industry by decentralising it to the regional level, where autonomous regional governments could work with hoteliers to improve quality.³⁹ Starting in the early 1990s ERDF funds began to directly contribute to tourism as well as to continue to support tourism-related infrastructure. Tourism was the second largest category of ERDF funds that received additional private investment. These investments began to mushroom in the 1990s, such as in Valencia, where funding for tourism went over budget by 235 per cent in 1994, assisting 1,456 private firms.⁴⁰

The enormity of the European loans, which were several billion US dollars a year in the 1980s, increased the likelihood of garnering support from more voters at the regional level through savvy disbursement of funds by local politicians. Grants from the EC provided funds for regional politicians to solidify their clientelistic networks and local power bases. The transformation of the coasts from fishing and agricultural

³⁶ Crespo MacLennan, *Spain and the Process of European Integration*.

³⁷ Commission of the European Communities. European Regional Development Fund, 1986 Report (Archive of European Integration, University of Pittsburgh). <http://aei.pitt.edu/5137/1/5137.pdf> (last visited 20 July 2017).

³⁸ J. Fernando Vera Rebollo and Josep A. Ivars Baidal, 'Spread of Low-Cost Carriers: Tourism and Regional Policy Effects in Spain', *Regional Studies* 43, 4 (2009), 559–70.

³⁹ Marta Luque Aranda and Carmelo Pellejero Martínez, 'Crisis del petróleo, transición a la democracia y frenazo de la expansión turística en España, 1973–1985', *Cuadernos de Historia Contemporánea* 37 (2015), 114–44.

⁴⁰ Member State Report 1994–99, Spain. Centro de Estudios Económicos Tomillo (Archive of European Integration, University of Pittsburgh). http://ec.europa.eu/regional_policy/sources/docgener/evaluation/doc/obj1/spain.pdf (last visited 20 July 2017).

hamlets was bemoaned by few, given that most residents still remembered the post-Civil War days of intense poverty. Many saw, in the rapid construction of hotels and homes, a confirmation that Spain was 'rejoining' Europe. Little dissent existed because residents of depopulating formerly rural areas saw the tourism economy as a change that could help stem out-migration of young people and bring economic resources. By 1985 tourism accounted for 10.5 per cent of the national economy and tourism offices were being opened as far away as Toronto. Just two years later, when Spain was enjoying its first year in the EC, tourism brought in 12.05 billion US dollars and lured 47.3 million visitors: numbers that held steady and were expanded through the 1990s.⁴¹ Much of this booming sector was thanks to EC-funded highways and airports that took people to their destinations. The perceived largess of development funds confirmed, for many, that wealthier Europeans were committed to Spain's progress, even if they had to foot the bill.

As North–South tourism became a seasonal way of life, many developers also began to court wealthier Europeans from the 'centre' to buy second homes on the shores of Spain. These semi-permanent residents often kept their primary homes in the United Kingdom, the Netherlands or West Germany, while using a second flat for vacations and, increasingly, retirement. The mixing of Northern and Southern Europeans often took place through the construction of enclaves in formerly rural areas. Yet, the social pressure of new foreign residents was kept at bay by the robustness of the Spanish economy and the improved quality of life amongst the rural poor, not to mention the social isolation of semi-permanent residents who often had little interaction with local communities. Despite isolation, retirement abroad was hailed as a nascent form of cosmopolitanism. Indeed, on both levels, institutional and social, it seemed that European cohesion was working: Spain was modernising and political stability was slowly being achieved, while outsiders were expressing their confidence about the country through frequent visits and purchasing property. There were, of course, speed bumps. In 1981 renegade soldiers entered the national parliament, shot up the central chamber and demanded a return to military leadership. While the *golpe de estado* was narrowly avoided and democracy was preserved, this instance demonstrated to the EC the need for a continued role in the political and economic development of the Mediterranean, which to Brussels was simply two sides to a single coin. A means of accomplishing this was by opening the country to other European visitors and building new spaces of leisure – bright cheery beachfront paradises – that symbolised a future free of want or hardship.

Spain had also long been a country of property owners rather than renters (supported by Franco's conviction that owners do not become proletarianised)⁴² and by the early 1980s ownership was at over 70 per cent.⁴³ Investment in creating new housing and second homes for Spaniards, as well as foreign residents, was

⁴¹ Robert Martin, 'Tourists Pour like Rain on Spain', *The Globe and Mail*, 16 Feb. 1985.

⁴² José Manuel Naredo, 'El Modelo Inmobiliario Español y Sus Consecuencias', *Boletín CF+S*, 44 (2010), 13–27.

⁴³ Judith Allen, James Barlow, Jesús Leal, Thomas Maloutas, Liliana Padovani, *Housing and Welfare in Southern Europe* (New York: Wiley-Blackwell, 2004).

regarded as an economic goal with a strong secondary social purpose of creating an ownership society that was less likely to be radicalised. The second home market grew dramatically in the last years of Franco's rule and continued to grow through the 1990s. In 1970, when the Franco regime turned forcefully to the tourism market, second homes made up 7.4 per cent of the housing stock; in 1981 the number had jumped to 12.9 percent and by 2000 it was 16 per cent and still growing – one of the highest rates in the world.⁴⁴ The EC supported this project by making credit readily available: first, through the trickle-down of regional grants, which improved local economies and expanded the number of dwellings, and, later, on the private level via the vastly cheaper credit granted to euro-area members. Improving housing stock through infrastructure grants was an important goal of the Spanish right to promote political stability but also for the left, who saw the expansion of homeownership as a means to bolster the working class during a time of industrial decline. The EC, inspired by the privatisation of council housing in the United Kingdom by Margaret Thatcher, concurred that expanding home buying was an important induction into the credit economy which was lacking in Southern Europe and generally complimented the already thriving tourism construction business. Lastly, while homeownership was lauded as a stabilising mechanism for the middle class in Spain, it also served as a speculative tool as more families bought coastal second homes to rent out during the tourist-saturated Spanish summers. Indeed, this practice became so successful that many foreign nationals bought multiple second homes in coastal Spain for personal use and leasing for profit during prime tourism months.

By the time that the Berlin Wall fell and Europe's attention turned to the fate of the East, Spain had already established itself as a developmental role model – and not just to Europe but to the world. Hotels were full, sun and sangria holidays had begun to shift toward older more prosperous cultural tourism and Barcelona had been selected as the site for the 1992 Summer Olympic Games, beginning a decade of extensive construction for mega-events.⁴⁵ Previously, the perpetually unfinished spires of Barcelona's Sagrada Familia had symbolised Spanish lethargy, and, as many visitors liked to smugly comment, 'the mañana mentality' characterised work culture. By the 1990s new suburbs, rows of coastal hotels and the frantically beach-ified industrial waterfront represented Barcelona to the world. Behind the facade of this tourism paradise lurked the potential for economic instability due to homogenising economic output into tourism and construction, overly-liberal personal and public credit lines and environmental damage. Overbuilding was also made far more possible by the passage of the 1998 national land use law that dramatically liberalised the procedure for developers to construct new suburbs and coastal vacation communities. Spain's post-Franco regionalism also decentralised the state, often creating problematic alliances between clientelistic regional politicians, with control over zoning and EU funds at their disposal, and local property developers.

⁴⁴ Allen, *Housing in Southern Europe*, 34.

⁴⁵ Sara González, 'Bilbao and Barcelona "in Motion": How Urban Regeneration "Models" Travel and Mutate in the Global Flows of Policy Tourism', *Urban Studies* 48, 7 (2011), 1397–1418.

Yet, as the physical landscape changed from olive groves to five star hotels, and incomes responded accordingly, these factors were given little thought by elected officials. The miracle of the Spanish tourism market, much of which was aided by billions of Deutschmarks in development grants, had emerged as an economic force spoken about in cultural terms. Mass tourism shifted to more lucrative and less environmentally damaging cultural, heritage and gastronomic tourism.

In just the first few years of the 1990s Spain hosted the Olympics in Barcelona, held the World Expo in Seville and saw the first Guggenheim Museum franchise opened in Bilbao. The success in attracting major funding to the deindustrialising city of Bilbao was so significant that the *New York Times* architecture critic entitled his effusive article 'The Miracle in Bilbao'.⁴⁶ These projects were not only welcomed by investors, they were also hailed by local residents as a sign of the growing economic and cultural clout of the country, which had done so well in the business of mass tourism that it could now climb to the upper echelons of the industry. Increasingly, EU grants went to projects that promised innovation in the tourism industry through the niche markets of heritage or art. With a growing reputation as a fine arts and culinary destination, there was an element of 'cultural uplift' in tourism that would both bring wealthier visitors as well as cement the new image of Spain as a place for UNESCO travellers rather than just an inexpensive option for abundant sun and cheap drinks. The changing nature of the tourism industry also took place at a time when the general profile of Spain as an EU member state was transforming from a poor Southern neighbour to an equal partner in the European future with a robust economy and stable democratic institutions.

Indeed, in just fifteen years Spain had been transformed from a European *bette noire*, in danger of relapse into military dictatorship, to a *bon enfant* in which the rest of Europe was keen to invest and to visit. This transformation, which was echoed in the rest of the Mediterranean periphery, elevated Spain from the category of the 'other Europe' to a central player that could be used as an example for the Eastern periphery on economic and political advancement, as well as on-the-ground support from eager construction firms.⁴⁷ This model – based on heavy investment in tourism and construction with help from European public loans – became a relevant development model for European politicians and business people looking East in the 1990s. Post-socialist political leaders were particularly eager to enhance obsolete infrastructure that could support a shift away from the industrial command economy while boosting nascent property markets.⁴⁸

⁴⁶ Herbert Muschamp, 'The Miracle in Bilbao', *New York Times* 7 Sept. 1997. <http://www.nytimes.com/1997/09/07/magazine/the-miracle-in-bilbao.html> (last visited 20 July 2017).

⁴⁷ Carles Manera and Jaume Garau-Taberner, 'The Transformation of the Economic Model of the Balearic Islands: The Pioneers of Mass Tourism', in Luciano Segreto, Carles Manera and Manfred Pohl, eds., *Europe at the Seaside: The Economic History of Mass Tourism in the Mediterranean* (London: Bergahn, 2009).

⁴⁸ Katherine Verdery, *What was Socialism and What Comes Next?* (Princeton, NJ: Princeton University Press, 1996), 135.

Going East

By the mid-1990s the European Community had created a dedicated system for regional development. While these funds were primarily for the use of less-developed members of the EC, they were also spent on potential members and struggling Eastern European countries that could not yet be considered for membership. The structuralist argument for this outlay of national wealth makes the case that each creditor country made decisions based on a cost-benefit analysis that eventually led them to the resolution to continue to support cohesion and the use of structural funds. The institutionalist approach argues that the European Commission took a more active role in liberalisation, management of development funds and disciplining of member countries.⁴⁹ A key feature of the Maastricht Treaty was not just the dismantling of trade barriers and obstacles to freedom of movement for individuals, but also a very sizable regional wealth transfer.⁵⁰ Theorists of the welfare state have detailed the ways in which EU development policy was a response to globalisation and an effort to contain it.⁵¹ By liberalising trade amongst European nations, leaders hoped they could – through political and economic unification – avoid a ‘race to the bottom’ in terms of stripping away workers’ protection, pensions and welfare state provisions. The great irony of this move was that Brussels embraced the very disease it was afraid of (liberalisation of trade). The question of whether regional liberalisation has created an antibody or simply introduced the virus into a new host is one that is still frequently being asked within European political circles. Yet, in the early 1990s, many EC officials hoped to avoid the rapid and often under-regulated privatisation taking place in Russia by assisting Eastern European countries emerging from behind the Iron Curtain. While EC officials stressed the need for much privatisation, economic reform and political restructuring, they saw themselves as a voice of reason and moderation compared with their American colleagues – the so-called Chicago Boys – who, under the sway of Milton Friedman’s radical liberalisation theories, were transforming the former Soviet Union using under-supervised shock therapy.⁵²

A major sector for Eastern European development was real estate. Maastricht established a more formal funding mechanism and constant source of loans for use in Eastern European infrastructure projects and Brussels began to address these acute problems. Moreover, the United States committed billions of dollars a year to building private businesses, improving infrastructure and setting up think tanks and research institutes, often given the sole mission of figuring out the best ways to privatise all public goods. One of the first problems was a chronic shortage of housing. Development in cities like Bucharest, Sofia and Budapest exploded in the 1950s and 1960s with the influx of rural residents coming to work in titanic

⁴⁹ Parsons, *Idea of Europe*, 26–7.

⁵⁰ Judt, *Postwar*, 530.

⁵¹ Marks, Scharpf, Schmitter, and Streeck, *Governance in the EU*.

⁵² Georgi M. Derluguian, *Bourdieu’s Secret Admirer in the Caucasus* (Chicago: University of Chicago Press, 2005).

industrial development projects, and new neighbourhoods of block housing were quickly erected. Yet, by the 1970s and 1980s the queues for apartments had grown to decade-long waiting lists and pre-war housing stock was in miserable condition.⁵³ This problem only worsened after 1989 with the new primacy of capital cities for Eastern Europeans searching for economic opportunity. As Eastern Europeans began to establish themselves in the post-communist economy they also sought post-communist dwellings. This need was both basic – housing shortages continued as industrial cities failed and capitals expanded – and also psychological – few wanted to live in concrete ‘blocks’ that represented the past ideologically-defeated era. Secondly, infrastructure was lacking and regions that hoped to attract Western European investment were deeply concerned that communist roads, bridges and trains would be laughed at by potential investors. The EC saw the need to invest in all of these development areas in order to modernise communist cities and to provide a platform for the post-communist economy. Like in Franco's Spain, the last years of state socialism brought reforms to communist countries that encouraged tourism but, without private land ownership, these efforts were difficult to scale-up and visa restrictions confined the industry largely to visits between Warsaw Pact states rather than sizable West–East holidaymaking.

The telling area that the EC chose not to vigorously invest in was industrial production. There were two primary reasons for this. Germany was concerned that low-paid competition in Hungary, Czechoslovakia and Poland would attract industries which it had been cultivating for years and offer unwanted competition. The second, and more important, consideration was simply that EU and local officials saw these industries as beyond saving. Indeed, many were the brainchildren of the command economy: their supply lines were hopelessly long, their products dismally unwanted and their machinery only worthy for being stripped for parts. With ailing industrial sectors in almost every post-communist country, European officials were gravely concerned about what economic opportunities could be offered to Eastern Europe and how they could seize them quickly before financial and political instability wrecked havoc from Gdańsk to Tirana. The former Soviet Union's new and blatantly corrupt class of oligarchs, who consolidated national economies around the energy sector alone, became a model of what to avoid when dealing with Eastern Europe.⁵⁴ Additionally, most Western European politicians understood that many Eastern European countries would eventually be granted EC membership and freedom of movement for their citizens, despite nativist political objections in the United Kingdom and other countries. Therefore, developing strong post-communist economies that dealt with unemployment in Eastern Europe was seen as a valuable countervailing force against migration to the West and, thus, a motivation for wealthier countries worried over the prospect of Eastern immigrants.

⁵³ Kiril Stanilov, *The Post-Socialist City: Urban Form and Space Transformations in Central and Eastern Europe after Socialism* (Dordrecht, NL: Springer Verlag, 2007).

⁵⁴ Elizabeth C. Dunn, *Privatizing Poland: Baby Food, Big Business, and the Remaking of Labor* (Ithaca, NY: Cornell University Press, 2004).

From Socialist to Capitalist Tourism in Bulgaria

Using the model of Spain's ascent was a popular strategy for addressing the problems of many post-communist countries because infrastructural improvement was often needed and the development of real estate was an economic avenue as well as an ideological demonstration of the importance of private property in the democratisation process. Places like Prague, Budapest and Warsaw had pent-up demand for suburban housing and had the potential for tourism ventures. The EC also advocated for countries like Croatia, Bulgaria and Romania to embrace the tourism growth model by building mass tourism hubs in places where there had been either a smattering of socialist tourism or, in rural areas, where uplift of the regional economy was strongly valued. EC, and later EU, funds were made available to improve infrastructure that could bring tourists as well as to provide grants that would promote tourism education programmes in universities.⁵⁵

Local entrepreneurs were particularly eager to take advantage of infrastructural improvements which were often available for highly specific projects that, while in theory not a public subsidy for a private business, could help individual hotels and real estate developments with the political capital to lobby for them. The European Commission cited Spain as a prime example of a country that had made tourism a major economic sector with intelligent development of the industry that diversified it, effectively arguing that tourism and its attendant urban growth could be a sizable part of post-socialist development without jeopardising the larger economy through over-concentration.⁵⁶ Funds from EU pre-accession programmes were often modelled after successful tourism programmes in Spain, such as a EU funded sustainable coastal tourism in Mallorca⁵⁷ and rural and culinary tourism in the Basque Country. As a Lithuanian member of the European Parliament put it, while arguing for alternative tourism schemes: 'tourism is an important economic activity in the EU . . . playing an important role in socio-economic integration in rural, peripheral and less-developed areas, such as areas rich in industrial heritage'.⁵⁸ While cultural tourism and high-revenue low-impact programmes were promoted by EU funding authorities, particularly through the European Destinations of Excellence strategy that started in Southern Europe and then moved to post-communist countries, much of the development in Eastern Europe occurred in mass tourism for package beach deals and stag party tours.

⁵⁵ European Commission Report, 2002: 'EU Support for Tourism Enterprises and Tourist Destinations'. <http://www.tourisminsights.info/ONLINEPUB/ONLINEP/PDFS/EC%20PDFS/EU%20SUPPORT.pdf> (last visited 20 July 2017).

⁵⁶ European Commission Report, 2007: 'The European Tourism Industry in the Enlarged Community: Gaps are Potentials and Opportunities'. file:///Users/maxholleran/Downloads/tourism_2007_sectoral_analysis_en.pdf (last visited 20 July 2017).

⁵⁷ European Commission Report, 2000: 'Towards Quality Coastal Tourism'. http://www.pedz.uni-mannheim.de/daten/edz-h/gdb/oo/iqm_coastal_en.pdf (last visited 20 July 2017).

⁵⁸ European Parliament Debate, 6 Apr. 2011. <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P7-TA-2011-0141+0+DOC+XML+V0//EN> (last visited 20 July 2017).

Bulgaria, above all, was well positioned to emulate the rapid coastal development that took place in Spain in the 1980s because of ample Black Sea beachfront and a long history of communist-era tourism in which the Bulgarian coast served as a privileged place for tourists from Eastern Europe to visit that was on par with Crimea in the Soviet Union.⁵⁹ While the Black Sea did not attract as many Western European visitors as the Dalmatian coast in Tito's non-aligned Yugoslavia, there were significant numbers of visitors from non-communist countries before 1989. Already in 1989 70 per cent of Bulgaria's hotels were concentrated on the Black Sea and administered by the state tourism organisation, Balkantourist.⁶⁰

Bulgaria, which joined the EU in 2007, was an early adherent to the tourism and service economy direction that was advocated by the EU institutions distributing development funds. It also received over 50 million dollars annually from the US government, much of which went to tourism endeavours such as small hotels.⁶¹ By the mid-1990s Bulgaria was suffering from acute deindustrialisation that, along with pyramid schemes and problems with organised crime, significantly destabilised the economy. Loans for construction, distributed by more reliable foreign banks (mostly German), were seen as both fiscally and politically wise. While tourism development was viewed as a new path forward that embraced the free market and made use of new connections westward that brought visitors and capital, it was also a continuation of the leisure economy that existed during the communist period and, in this sense, it carried a similar geopolitical dynamic. Previously, wealthier tourists from communist East Germany, Czechoslovakia and the Soviet Union had visited; now more affluent Western Europeans came from EU 'core' countries. While both arrangements emphasised Bulgaria's economic dependence, many Bulgarians hoping to start small businesses in the tourism sector were happy to finally have a continental European market rather than just customers from the behind the former Iron Curtain.

Bulgaria was largely underdeveloped in terms of urbanisation and industry before the Second World War and, after 1989, industries disintegrated without Soviet support. However, Bulgaria also had a long history of Eastern European tourism given its vineyards, relatively temperate weather and abundant Black Sea coast. When the country was led by Todor Zhivkov, the longest serving leader in the Eastern Bloc, considerable funds and political energy were invested in mountain retreats and seaside resorts to entertain visiting *nomenklatura* as well as locals. Cultural tourism was also advocated for by Zhivkov's daughter, Lyudmila, who was the Minister of Culture and heir apparent to his leadership before her untimely death in 1981. Communist-era tourism was a symbolically mixed venture: officials worked hard to promote an image of enjoyable leisure for the socialist 'everyman', yet the vast majority of visitors were from Warsaw Pact countries and stayed in hotels far too reminiscent of block apartments. For tourists from Western Europe, visiting the Bulgarian Black

⁵⁹ Kristen Ghodsee, *The Red Riviera: Gender, Tourism, and Postsocialism on the Black Sea* (Durham, NC: Duke University Press, 2005), 129.

⁶⁰ Urbain, *At the Beach*.

⁶¹ US Congress SEED ACT 1989–2009, http://www.seedact.com/files/pdf/enterprise_funds_at_a_glance.pdf.

Sea produced a sense of semi-peripheral exoticism but also of inferior 'second-class tourism' for guests mainly from 'Second World' communist countries.⁶²

By 1989 the Black Sea coast was a rather basic but very functional collection of small beach towns where Bulgarian families holidayed alongside Poles, East Germans and Hungarians. Unlike Spain, the cosmopolitan mixture of visitors was mostly confined to Eastern Europe, with Russian sometimes serving as a lingua franca. Tourism zones acted as spaces removed from the complete authority of the state where international mixing was permissible (although supervised) and those employed by state-run hotels often had access to foreign products that were extremely sought after. After 1989 Black Sea tourism cities experienced a brief decline as Eastern European tourists were no longer confined to visiting Warsaw Pact countries and Western European tourists preferred to explore well-known capital cities such as Prague and Budapest.

During the 1990s attention began to shift towards tourism as manufacturing swiftly declined. Many local officials asked: could Bulgaria attract foreign visitors from the West rather than the East? The true challenge would be to modernise facilities meant for guests from former communist states: a problem of infrastructure improvement that was occurring in numerous post-communist economic sectors in Central and Eastern Europe. Drawing wealthier Western European visitors seemed like an attainable goal given the EU's previous largesse toward projects that addressed urban and infrastructural improvement in Spain and Southern Europe. The idea that Eastern European development should follow the Mediterranean model made sense to EU officials, not just economically and politically, but also as a metaphor of regional hierarchy in Europe. Bulgaria, with a long and stigmatising history of Balkan 'semi-orientalism', was happy to be part of Europe (in contrast to the Russian or Turkish geo-political orbit formerly occupied) and to be following in the footsteps of Mediterranean development.⁶³ Spain's economic successes and seemingly thorough public reconciliation with the legacy of dictatorship was a well-regarded model of national rebirth and transnational partnership.⁶⁴

By the mid-1990s the ascent of the Spanish tourism market had left a hole in the bottom end of the European package tourism business that many other countries (such as Turkey and Egypt) were trying to fill. Spanish firms noticed this gap and many of the new budget ventures in Bulgaria were started by Spanish companies, including numerous purchases by the resort franchises Melia and Iberostar, who recognised that the mass European tourism market which started in Spain was moving East.⁶⁵ These firms are an example of economic actors who regarded the recently opened

⁶² Michael Zinganel, Elke Beyer, Anke Hagemann, *Holidays after the Fall: Seaside Architecture and Urbanism in Bulgaria and Croatia* (Berlin: Jovis, 2013).

⁶³ Maria Todorova, *Imagining the Balkans* (New York: Oxford University Press, 2009).

⁶⁴ This process was well regarded in Eastern Europe and drawn upon by political leaders from the centre right who admired the role of King Juan Carlos I in the transition (this was particularly true of Bulgaria's former king – Simeon Borisov Saxe-Coburg-Gotha – who also served as Bulgarian Prime Minister 2001–2005). This opinion remains, despite a new generation of Spanish historians who have problematised the process and its insistence on 'forgetting'.

⁶⁵ Carles Manera and Jaume Garau-Taberner, 'Balearic Islands', 37.

Eastern periphery of the EU as an economic opportunity to create new markets rather than to simply fulfil a political obligation to build democratic institutions: these two ideologies frequently melded together in EU policy circles that were influenced by priorities of corporations from core countries (or newly non-peripheral countries like Spain). Officials based in Brussels hoped that, like Spain, Eastern Europe could also attract tourists in search of low prices, good weather and cheap cocktails. If Bulgarian tourism promoters managed to do so and to win over new non-Eastern Bloc tourists, this would help rehabilitate the image of Bulgaria to Western European lenders and investors: a prospect that was also very exciting for the struggling newly democratic government.

Bulgaria presents an interesting example of EU urbanisation logic because, despite high levels of corruption and a banking crisis in 1995–6, which caused the collapse of its currency, it followed Spain's model of attempting to secure infrastructure grants while embracing mass beach tourism as a major economic engine. The new monetary unit, appropriately titled the New Bulgarian Lev, was tied to the Deutschmark (and now the euro) in order to provide exchange-rate stability and, while not explicitly stated, to give foreign banks and the European Central Bank a greater role in the country's economic choices. Despite endemic corruption Bulgaria managed to attract considerable infrastructure funding around the turn of the millennium, even while its application to the EU was anything but guaranteed. Part of this was due to the efforts of politicians who spanned the gap between the communist and democratic eras and had seen the relative success of the state-managed Balkantourist, which they hoped to emulate and expand, using privatisation of existing state assets and foreign investment to build new hotels. A major supporter was the pro-business centre-right president Petar Stoyanov, in office from 1997 until 2002, who had been involved in tourism development in the early 1990s when he was a member of parliament. Despite considerable private investment, EU officials were often unimpressed with the transparency of the bidding processes in which their funds were used to modernise airports, build roads and update trains, but they accepted corruption in many cases.⁶⁶ Like in Italy's Mezzogiorno, embezzlement and nepotism were seen as the cost of doing business. Moreover, economic development and the improvement of infrastructure were valued more than full transparency because failure to reboot the post-communist economy was viewed as a geopolitical threat to the European core. As a Spanish member of the European Parliament put it during the debate over Bulgarian and Romanian accession: 'twenty years ago, like the Bulgarians and Romanians are doing now, we were finishing negotiations for Spain's integration into the Community. I recall our efforts to adapt to the Treaties and I recall the humiliation. . . . However, I remember, above all, the solidarity of many, their respect and their understanding.'⁶⁷

⁶⁶ Venelin I. Ganev, *Preying on the State: The Transformation of Bulgaria after 1989* (Ithaca: Cornell University Press, 2007).

⁶⁷ European Parliament Debate. 16 May 2006. <http://www.europarl.europa.eu/sides/getDoc.do?type=CRE&reference=20060516&secondRef=ITEM-014&format=XML&language=EN> (last visited 20 July 2017).

Tourism-based urbanisation was a strategy not just advocated for by lending institutions but also one that was very appealing to the wider public because of the symbolic cachet of hospitality, leisure culture and the aesthetics of coastal spaces dedicated to rest and play. Many gravitated to this model because of Bulgaria's history of Eastern Bloc tourism and a strong belief in homeownership as an important economic asset and sign of political modernisation. Before 1989 Bulgaria had the highest level of private property ownership in Eastern Europe (76 per cent as measured in 1985).⁶⁸ This was a surprising figure given that in all other aspects of perestroika and glasnost the country was an extreme laggard. Homeownership became economically important in the 1990s as the currency experienced traumatic inflation and collapse and some families were left with their flat as their sole asset. This trajectory paved the way for a robust tourism construction industry in the early 2000s, when the number of hotel beds on the Black Sea increased by 261 per cent in four years, as well as a growing second home market for Western Europeans.⁶⁹ Often, this new urbanisation was completed in colourful styles that dramatically stood out against the concrete buildings of the socialist era and seemed to offer citizens a glimpse of a future within the European core, where leisure was seen as a right and not a privilege available only to elites. A Bulgarian developer, who had worked for a Spanish company since 1998, noted that this style, which he was employing in the construction of luxury villas near Varna, was modelled on the Costa Del Sol.⁷⁰ He also observed that one of the main innovations was not aesthetic but rather the creation of leisure spaces in gated enclaves with twenty-four hour security: a trend of loss of public access to coastal spaces that has been a hallmark of the post-1989 transformations.⁷¹

In Bulgaria the embrace of the service sector (and tourism) came as a reflexive rebuke to communist-era industrial development policy, which was widely seen to have failed and to have marginalised Bulgarians.⁷² As in Spain, tourism and urbanisation were viewed in Eastern Europe as the means to a more robust economy that eventually would use superior infrastructure to create a more sustainable and better-compensated economy. Resort communities such as Golden Sands and Sunny Beach on the Black Sea coast boomed with budget tourism trips from Western Europe, Russia and Israel in the early 2000s. Bulgarian officials often saw the leisure industry as a transitional stage that would pave the way for a less environmentally damaging form of economic development. The European Development Bank concurred with this viewpoint but neither source offered tangible examples of how high-skilled, well-paid jobs emerged from mass tourism or breakneck construction

⁶⁸ Stanilov, *Post-Socialist City*, 217.

⁶⁹ Jerome Anderson, Sonia Hirt and Alexander Slaev, 'Planning in Market Conditions: The Performance of Bulgarian Tourism Planning during Post-Socialist Transformation', *Journal of Architectural and Planning Research* 29, 4 (2012), 325.

⁷⁰ Svilen Belcheva, 'Kompleks ot 30 vili se izgrazhda kraj Kranevo' *Dnevnik*, 27 Mar. 2008. http://www.dnevnik.bg/morski/biznes/2008/03/27/477025_/.

⁷¹ Sonia A. Hirt, *Iron Curtains: Gates, Suburbs and Privatization of Space in the Post-Socialist City* (New York: Wiley-Blackwell, 2012).

⁷² Ivaylo Dichev, 'Sotsialisticheskata urbanizatsiya i krügovete na grazhdanstvo', *Sotsiologicheski Problemi* 1–2 (2003), 33–63.

growth. Instead, the 'Spanish Model' of mass tourism growth implied upfront environmental and social sacrifices with the promise of a future reward.⁷³ This model was based on the progression from mass leisure to the successful promotion of cultural assets that appealed to higher socio-economic status visitors, such as UNESCO heritage sites and regional cities with arts and crafts. Yet, many countries did not have these resources in comparable abundance despite copious marketing efforts claiming the contrary.

Before Bulgaria gained entrance to the EU in 2007 many of the grants administered by the EU's pre-accession programme were for roads in major urban areas and tourism destinations meant to bolster antiquated infrastructure. In 2004–7 alone, more than 650 million euros in grants was given by the EU.⁷⁴ An additional 879 million euros was set aside just for infrastructure, but Bulgaria was only able to spend a fraction of this amount because of continual freezes on funding due to official corruption. This problem reached to the highest levels, including with accusations from officials and major newspapers that the Executive Director of Regional Development, charged with distributing EU funds, was compromised by corruption.⁷⁵ These incidents fed a popular critique within the EU that Bulgaria was unready for EU membership due to corruption. Some journalists even likened the mindset of official profiteering to a defect with cultural roots, not in communism, but based on a nineteenth century 'Balkan mentality' of backwardness.⁷⁶ Many of those involved in development policy wondered publicly if the EU had the economic and political capacity to assist Eastern Europe in the same way it helped Southern Europe, arguing that corruption was not a transitional problem but an ingrained facet of political life.

By the time of the 2008 crisis Bulgaria had built a range of new cities and suburbs along the Black Sea coast, filling almost every kilometre with rental villas and hotels. Due to almost non-existent environmental enforcement, much protected land was also illegally developed (some even receiving post-facto pardons from the courts). Widespread tolerance for illegal development – which ranged from hotels built without permits to developers brazenly erecting houses on national parks – occurred in much of the Black Sea coast, particularly the Strandja National Park.⁷⁷ Quick coastal urbanisation led to the foreclosure of public space and intensified pollution. The EU warned that involvement of the mafia in construction for tourism in coastal cities, like Varna, had transcended the bounds of simple corruption and was beginning to look something like state capture on the municipal level.⁷⁸ The Wikileaks files on Bulgaria revealed that the American ambassador considered Varna, Bulgaria's third largest city and one of the most important tourism markets, to be entirely controlled by a mafia group composed of communist-era navy commandos who started in

⁷³ Lopez and Rodriguez, *Spanish Model*.

⁷⁴ EU Bulgaria Fund Report, 2008. http://ec.europa.eu/cvm/docs/bulgaria_report_funds_20080723_en.pdf.

⁷⁵ Ibid.

⁷⁶ Todorova, *Imagining the Balkans*.

⁷⁷ Hirt, *Iron Curtains*.

⁷⁸ Ganev, *Preying on the State*.

drug running and prostitution before eventually owning stakes in most of the city's major businesses, including tourism construction. At the same time, much of the EU money earmarked for Bulgaria is still destined for projects that would improve tourism. This includes Varna's 58.5 million euro transport upgrade, begun in 2007, which took in 39.5 million euros from cohesion funds.⁷⁹ This situation, according to several consultants and developers on the Black Sea, has created a feeding frenzy of politicians, backed by organised crime groups in the construction industry, to solicit infrastructure funds. However, many still support this model and hope that the decline in regional solidarity within the EU will not mean that urban development programmes in post-communist Europe will be cut far short of the expenditure given to Southern Europe a generation earlier.

Reassessing Tourism and Urbanisation as a Peripheral Growth Strategy

Tourism was an attractive development strategy for Eastern European countries in which newly privatised land attracted foreign real estate investors and the EU integration process brought financial assistance for improving transit infrastructure. However, while these strategies were effective in boom years they were much harder to maintain after the 2008 financial crisis. Although Bulgaria has followed a development model for the European periphery that emphasises tourism and construction as economic mainstays, this strategy has significantly faltered since the crisis. Indeed, the intensive tourism and construction development model that was once lauded for its financial as well as symbolic cachet has become a spectacle in the tumult of the European sovereign debt crisis.⁸⁰ Much of this comes from the way in which the model was geared to large-scale tourism and construction firms that built resorts using public subsidies for infrastructure and cultural projects, while many local residents worked in badly-remunerated service jobs, quashing the prevalent notion that tourism economies are effective in providing skills training or financial uplift.

In Spain, revelations of illegal development, high-level corruption and environmental degradation have filled newspapers from 2008 until the present. The country not only has a glut of newly built homes that have never been lived in, but also boasts major airports that have never seen a flight take off and public works, such as Santiago Calatrava's City of Arts in Sciences in Valencia, that have saddled municipalities with a generation of debt. Foreign governments once visited Spanish cities like Valencia for ideas about how to bolster their tourism economies with public grants for infrastructure to support heritage and cultural tourism. Now, however, the City of Arts and Sciences is a pit stop on a 'corruption tour' which showcases

⁷⁹ http://ec.europa.eu/regional_policy/sources/information/cohesion-policy-achievement-and-future-investment/factsheet/bulgaria_en.pdf (last visited 20 July 2017).

⁸⁰ Degen and García, *Barcelona Model*.

Valencia's misuse of public funds.⁸¹ Cooperation between regional governments, construction companies and regional development grant makers now looks like collusion, particularly with the former Spanish National Treasurer in prison for abusing this arrangement.

Bulgarian tourism promoters, and other former adherents to the Spanish tourism development model, paid close attention to the Spanish property bubble in order to learn from it before the same factors of over-development, un-payable loans and lack of market demand affected their own industries. As *Deutsche Welle* put it in a 2007 editorial: 'the Mediterranean island of Mallorca has come to symbolise everything bad about cheap, mass tourism: crowded beaches full of drunken louts and cheapskates. Bulgaria's Black Sea coast wants to avoid the same fate.'⁸² While the property market cannot be fully used as a synecdoche for Spain's entire political and economic trajectory over the past thirty years, it is an interesting starting point. Spain is the most emblematic model of EU incorporation that successfully bolstered international investment and urban growth; this process was echoed in Bulgaria with less capital and a shorter time frame. As the Spanish model of urbanisation continues to attract scrutiny as both a corruption machine for a politically connected *rentier* class and an environmental burden for future generations, it has also come under suspicion as an unreliable growth strategy and model for the Eastern periphery.

By comparing tourism markets and urbanisation in the South and East of Europe, we can better understand not only how newly democratic governments used post-industrial economic strategies but also how these economic choices served as public metaphors. In particular, the image of previously closed societies inviting visitors and constructing leisure spaces to aesthetically represent a new era has been a powerful symbol of both peripheries. Both Spain and Bulgaria were forced to rebrand their post-authoritarian societies in order to attract EU loans, foreign investment and visitors, using their peripheral position as a source of exoticism and the authenticity of less-modernised Europe.⁸³ Leisure culture boosters emphasised economic ascent and social rebirth after repression, but these meanings were not always received as intended. Before the crisis of 2008 brought renewed scepticism over this model, many in the 'other Europes' asked who leisure spaces would serve and how they would benefit the broader public. After 2008, with many homes and hotels from the boom years abandoned across both Southern and Eastern Europe, this viewpoint has attracted more adherents, and disused spaces have opened debates about the many sacrifices made during the EU cohesion years.

Middle-class Bulgarians, faced with economic stagnation, intractable corruption and a stalled property sector, have increasingly doubted the tourism urbanisation model, particularly as environmental collateral damage becomes all too apparent.

⁸¹ National Public Radio, 'Activists Offer Protest Tour of Spain's Modern Ruins', 16 Feb. 2013. <http://www.npr.org/2013/02/16/172003485/activists-offer-protest-tour-of-spains-modern-ruins> (last visited 20 July 2017).

⁸² *Deutsche Welle*, 'Bulgaria Tries to Avoid Mass-Tourism Quagmire', 12 Aug. 2007. <http://www.dw.com/en/bulgaria-tries-to-avoid-mass-tourism-quagmire/a-2728301> (last visited 20 July 2017).

⁸³ Urbain, *At the Beach*.

In Spain itself much of the property 'boom' period has been reassessed as a time of graft and excessive construction that has left a landscape of empty and half-finished homes. In both countries, new urban development as an analytical category – especially when associated with tourism – offers a means to see two very different concepts of the European periphery pre- and post-2008 crisis. The former is an aspirational space, in which tourism represented a catching up with the European core and an ability to one day enjoy the vacation allotments of advanced capitalist welfare states. The latter post-crisis concept of Europe's edges is a hardened divide – between the 'second' post-communist Eastern periphery and the first debt-stricken Mediterranean periphery on the one side and the European core on the other – making the dream of pan-European economic parity seem farther off than ever.

Both Spain and Bulgaria show an uncomfortable negotiation between European centre and periphery in the field of urbanisation. In Spain, anger at the duration of the economic crisis has hinged on frustration with the explosion of the property bubble as well as with EU institutions that lent money for development. The question of bad faith incorporation in the EU, through lending unpayable loans or signing off on untenable budgets, has been raised by many indebted countries as they struggle with austerity politics. Entire Spanish regions devoted to the tourism economy, including enclaves of hundreds of thousands of foreign residents, also reveal a new tension between Mediterranean tourism 'hosts' and wealthier long term 'guests' from the EU core. While the tourism economy and its attendant urbanisation was previously a badge of economic success and European cosmopolitanism, it is now being rethought as the entire Southern European periphery feels that it must put 'for sale' signs on all public assets in order to cope with the fiscal demands of austerity.

Bulgaria started the 2000s as a promising case of touristic development aided by EU grants and professional support. However, it has never managed to progress from the early stages of mass tourism, centred on low-cost flights and seaside strips offering cheap alcohol.⁸⁴ This stagnation began with the problematic influence of the mafia in the construction industry, which alarmed foreign investors. The industry was brought to a firm halt with the 2008 crisis, leaving many half-finished buildings. The lack of success of the tourism industry and problems of environmental damage and corruption have left a profound sense of failure on the Black Sea coast where, during national economic unrest and civil disobedience, a young environmentalist fatally self-immolated in protest of corruption in the city of Varna in 2013.⁸⁵ The palatable sense of re-peripheralisation in Bulgaria harkens back to the special sense of peripherality in the Balkans, by which many feel not only estranged from the EU, but Europe itself.⁸⁶ Yet, today the Bulgarian public has a conflicted relationship with the European Union in which they feel that political corruption is a Balkan 'disease' but that the 'doctor', represented as EU lending and regulatory institutions, should

⁸⁴ Anderson, Hirt and Slaev, *Planning Market Conditions*, 329.

⁸⁵ Max Holleran, 'On the Beach: The Changing Meaning of the Bulgarian Coast after 1989', *City & Society* 27, 3 (2015), 232–49.

⁸⁶ Todorova, *Imagining the Balkans*.

have recognised the illness when the country was admitted in 2007 and helped it to recover.

In both Spain and Bulgaria economic failures are inscribed into the physical landscape: from empty homes to projects associated with massive graft and environmental destruction of coasts and wildlife areas. Urbanisation, which was long associated with modernisation and Europeanisation, has come to represent a source of folly and outside influence. This sense of once again 'living on the outside of Europe' has rekindled new interpretations of post-dictatorial history and, in some cases, nostalgia for less open economies and more nationalistic cultural spaces. It has also cast doubt on the ability of the EU to initiate new members through the system of development grants, given first to the Southern and then to the Eastern periphery in periods of political democratisation. With the surge in both right-wing populism in Eastern Europe and left-wing populism in Southern Europe, the political consequences of stalled integration on these two peripheries remains uncertain, but tracing the process of tourism development from South to East offers a means by which to understand some of the institutional dynamics that were set in motion and how average citizens experienced those policies through the changing built environment.