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# Actual Problems of the Regional Development of the Agriculture in Bulgaria

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## Introduction

The development of the agriculture in Republic of Bulgaria in the last years is characterised with the experience of a deep economical and organisational crisis in the branch, as well as in territorial aspect. This development is accompanied by a number of problems, the most important of which are the decrease in the production of agricultural goods, the large differentiation of cultivation land owners, the worsening of the basic characteristics of the working force in the agriculture, the decrease in the consumption of agricultural goods and others. As a result of all this the establishment of a number of normative documents was necessitated, in order to regulate the activities of the accomplishment of an effective policy for regional development of the agriculture and rural regions in Bulgaria, as a stage of the preparation of the country for integration in all the structures of EC.

## Development of the Bulgarian Agriculture

The build of a modern market economy and the integration to the European Community make increasingly actual the questions of the carrying out of an adequate regional policy and balanced regional development. With regard to this of a great importance is the analysis of the contemporary problems of the agriculture in Bulgaria, which turned to be one of the major branches and priority in the economical profile of the country.

The development of the bulgarian agriculture in the last 10-15 years is characterized with the experience of a deep economical and organisational crisis in the branch, as well as in territorial aspect. Its manifestations are rather various. First should be mentioned the considerable decrease of the cultivated land and of the average crops, and as a result the sharp decrease of the production of the agricultural goods. The liquidation of the old organizational structures, left far behind the ownership of the agricultural lands, which caused that in the transition period a considerable part of the land not to be cultivated (about 20-25 % for year 2000). Another characteristic is the sharp decrease of the number of the live-stock and the stock-breeding production - meat, milk, eggs, wool, hides and others. The process of the restoration of the livestock to their owners was accomplished in a moment when they did not have the possibility and know-how for the breeding of the animals. All this necessitated the market of agricultural products in Bulgaria to compensate the lack in the food balance with the import of a number of foodstuffs, including even these, which traditionally are provided from own production. Usually this import was accomplished in dumping prices, which additionally worsened the condition of the producers of the agricultural products in Bulgaria. Some of the reasons for the crisis and also results from it are the decrease of the absolute and the relative part of the new investments in the agriculture as well as the significantly extended period of the perform of the agricultural reform.

One of the biggest problems in the bulgarian agriculture today, as a result of the reform and more specifically from the restoration of the ownership upon land is the fragmentation of the agricultural parcels to about 20 millions pieces and about 2,5 millions owners.

## BOIADJIEV and PATARCHANOV

As a result from this the size of a private parcel is about 0,3 hectares ("Geography of Bulgaria", Bulgarian academy of sciences, 1997).

The family agricultural farms are usually organized only on own land and use exclusively the labour of the members of the family. The size of the parcels is from 1 to 5 hectares. They provide partial employment for the members of the family and those satisfy their needs of foodstuffs, i.e. they have mainly natural character. In low degree their production is market-oriented. In this case it brings in not only complementary, but also main incomes for the family-producers. Because of the unstable economical situation and the orientation to the food supply of the family, in the most of these farms small quantities of different crops are being produced. Thus the climatically and soil conditions of the territory are not reasonably used. From another point of view, these farms are the main producers of the stock-breeding goods of the present day, although the existing production is not effective and competitive in the market and demands for great drain of labour and time. The average number of livestock in a farm is one in 81 % of the farms and two in 15 % (National statistics institute).

Besides the private farms, many agricultural producers cooperations are being established. For 1999 they count to 3475. The average size of the cultivation land is 621 hectares (National plan for the development of the agriculture and rural regions, 2000). In the most of the cases this land is given up for temporary use or rented. The production in these cooperations is maintained by employed workers. Often these territorially organized structures monopolize the market and thus achieve high degree of concentration of the production. They are also the bearers of the gradually penetrating trading capital in the branch, which at the moment is being stimulated to buy and modernize storehouses, production capacities and other long lasting material assets.

The basic problems of the functioning of the private farms, as well as the agricultural cooperations, result from the land reform. From the other side a stopping role is played also by the underdeveloped infrastructure of the agribusiness in Bulgaria, as well as the underdeveloped marketing institutions.

Major proof of the big crisis in the country is the data for the consumption of the principal foodstuffs (table 1).

**Table 1. Consumption of the principal foodstuffs (per person).**

Foodstuffs / Year	1989	1999	difference in %
1. Bread and pastry (kg)	194,6	167,0	-14,2
2. Rice (kg)	5,1	4,9	-4
3. Meat (kg)	77,8	58,4	-25
4. Milk (kg)	192,8	141,5	-26,6
5. Eggs (number)	255	180	-29,4
6. Fats (kg)	23,4	13,3	-43,2
7. Sugar (kg)	34,0	8,1	-76,2
8. Vegetables (kg)	149,1	141,0	-6
9. Fruits (kg)	145,8	129,0	-11,5

Source: National Statistics Institute, Sofia, Bulgaria

The analysis shows the sharp decrease of the consumption of meat, milk, sugar and fats. The consumption of milk already is under the lower physiological rate, especially for the young people. The structure of the meat consumption also has worsened - the pork meat considerably predominates. Serious anxiety arises from the decreased consumption of fruit and vegetables (17 %), which reflects on the recovering possibilities of the organism and the increase of the illnesses.

The decreased consumption is due mainly to the reduced incomes of the population and the sharp decrease of the living standard of the population, in result of which the internal market of agricultural products shranked too much.

In the last few years a remarkable decrease in the export of the agricultural production also has been observed. Its share reduced from 15,1 % in 1989 to 2,5 % in 1999. In some of its

## **Actual Problems of the Regional Development of the Agriculture in Bulgaria**

branches, for example the export of fresh vegetables and fruits, it has even been almost completely ceased and in others as the export of stockbreeding products, it has decreased more than two times. The main reasons for this are the reduced production and the low quality of the products, which prevents from accomplishing of the quotes, defined for Bulgaria from EC. Along with all this the loss of some traditional external markets as the Russian and the Arabian ones additionally shrunked the export of agricultural goods.

Characteristic of the development of the agriculture in Bulgaria in the last ten years is the increase of the employed labour in the branch. After the initial drop in the employment in the period 1989-1992, a prolonged tendency of increasing of the percentage of the employees in the agriculture has been established and in 2000 it achieved 26 %, growing up from a base of 18 % in 1989. As a result of the decline of the industry of the country in the last decade, the number of the countrymen has increased with about 5 000 people at the expense of the citizens. This rise is due mainly to the return in the country of part of the citizen population advanced in years. This resulted in a sharply worsened age structure of the employees in the branch. In most of the cases they are with inadequate or improper qualification and lack experience. The increase of the employed in the agriculture is caused by the restoration of the ownership upon the cultivation land to a number of owners, and also by the reduced mechanisation in some of the production activities and the turn towards hand cultivation of the land. The intended modernisation in the agriculture in the future will lead to the discharge of labour resources. This will demand the provision of new sources of alternative employment and incomes for the population in the countryside.

The solution of the problems in the sphere of agriculture and the reduce of the existing regional differences, demands for regional policy, aiming at establishing a stable and balanced territorial distribution of the production. This can be achieved by the development of the potential resources of each country region and preserving of the ecological balance of their rural environment.

The aims and the tasks of this policy of balanced regional development in this territories can not be accomplished successfully, if they are not preliminarily based on the grounds of certain laws and without the unity of action of the different levels of the administrative territorial government, the separate farms and cooperations, non-governmental organisations and civil representatives. In this connection in the last few years in our country have been passed laws, meant to form the juridical base of the regional development in Bulgaria and in particular of the agriculture and rural regions.

In 1999 the Law of the regional development was passed. It is in the base for the carried out regional policy in the country and deals with the planning, the management and the provision of resources of the regional development. This law served as a basis for the working out of The national plan of economical development and The national plan of regional development, which represent concretization of all the legislative enactments in regional and territorial direction, connected with the development of the national territory for the period 2000-2006.

The aims, the priorities and the measures worked out in the National plan for economical development in the sphere of agriculture represent the National plan for development of agriculture and rural regions in Bulgaria. It has been worked out by the special programme of European Community for integration (SAPARD) It has been prepared according to the requirements of the Regulation N 1268 of the Council of European Committee from June 21, 1999, for expanding of EC and for applying of measures for development of agriculture and rural regions in the countries-candidates for membership from Central and Eastern Europe in the period of integration.

The National plan for development of agriculture and rural regions has been passed from the council of ministers of Bulgaria with the verdict N 726 from November 22, 1999. In it the basic aims of the future development of the Bulgarian agriculture have been pointed out. They are the following:

The improvement of the effectiveness of the agricultural production and stimulation of a competitive food-manufacturing branch, using better market and technological infrastructure and strategically investment policy, oriented towards measuring up to the European standards.

## **BOIADJIEV and PATARCHANOV**

Steady development of the rural regions in accordance with the best ecological practices, by creation of alternative employment, diversification of economical activities and construction of the required infrastructure. This will lead to improvement of the living conditions and standards in rural regions, increase of the incomes and creation of new possibilities for employment.

This two main aims are complementary to one another and the most important is that they correspond with the final aim of the National plan for development of agriculture and rural regions, for the getting of the agriculture out of the crisis and the development of an effective agricultural branch of economy. This is in accordance with all criteria for membership in EC. They are oriented towards improvement of the agricultural structures and market effectiveness, towards applying of the achievements of European legislation by creation of employment and increase of the living standard in the rural regions of the Community.

For the achieving of the aims in the plan are also developed the main priorities and measures for development of the Bulgarian agriculture in the period 2000-2006. The are the following:

Improvement of the circumstances for production, manufacturing and marketing of the agricultural and forest products, as well as the manufacturing of fish products in accordance with the achievements of the legislation of the EC and stimulation of ecological manufacturing and preservation of the environment.

Integrative development of the rural regions, aiming at preservation and stabilisation of their economy and community.

Investment in human resources - professional training for agricultural producers and other people, working in the sphere of agriculture and participating in agricultural production, forestry and diversification of the activities in rural regions.

Technical assistance in each stage of the cycle of the agribusiness, from the production of agricultural goods to their selling and consumption in the market.

Very important elements of the development of the countryside in the new conditions, besides the legislation, are the institutional and the organisational restructuration of the activities, connected with the branch. In the moment the main institutions, responsible for the organisation and management of the state regional policy in this economical sphere are the Ministry of agriculture and forestry, the Ministry of the regional development and public works and the Ministry of labour and social concerns. The leading role has the Ministry of agriculture and forestry, which using the established state funds - "Agriculture", "Tobacco", "Irrigation", "Melioration" and others, support and stimulate the development of the bulgarian agriculture. The state fond "Agriculture", established in 1995 along with the pass of the Law of protection of the agricultural producers, stimulates and regulates the production of agricultural goods by a system of subsidies and credits, granted for different programmes as "Agricultural beginning", "Bulgarian farm", "Ecological agriculture", "Young farmer", "Mount agriculture" and others. Along with all this the fond already is serving as a state agency for realisation of the reintegration (cohesional) funds of EC. This agency is the only one of the countries candidates for membership, which has been approved by the European institutions and the first projects by the programme SAPARD are already being financed.

The role of the Ministry of labour and social concerns is the establishment and financing of programmes for alternative employment of the population and development of the agricultural activities, for example in industrially depressive regions, which have adequate conditions for this. The Ministry of the regional development and public works supports the development of the agriculture, by the creation of laws, plans and strategies, contributing for the balanced and stable development of each problematic region, including rural regions. Along with this is controls their performance and corrects them if needed, because of changes in the regional circumstances, resources and others.

## Actual Problems of the Regional Development of the Agriculture in Bulgaria

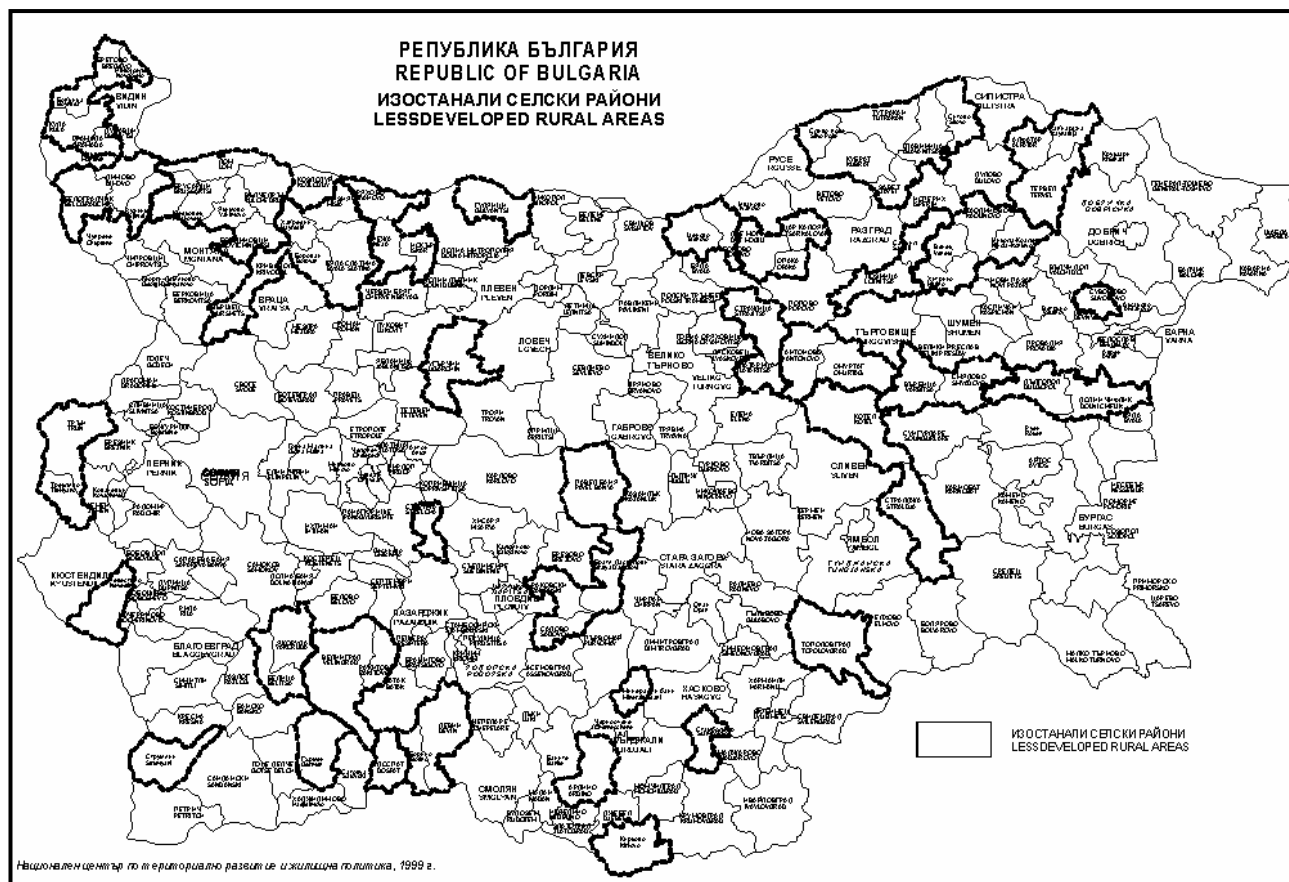


Figure 1. Less developed rural areas.

On a lower territorial level - the regional and the municipal, very important is the role of the regional agricultural agencies and the municipal departments dealing with agriculture, which are in charge of concluding of the process of returning of the ownership upon cultivation land and forests, as well as the working out of strategies and plans for development of the branch on their territory, which provides possibilities for concretization and working out the details of priorities in regional and local plan.

The need of the establishment and organisational and institutional stabilisation of each non-governmental organisations, which have direct position towards the protection of the interests of the producers of agricultural goods, is getting increasingly tangible. Until now in Bulgaria have been created 44 branch unions, but undoubtedly biggest role has the Bulgarian chamber of agriculture, which is the first national non-governmental organisation in the field of agriculture. It represents Bulgaria in the most authoritative world organisation of agricultural producers - FIPA, which has 144 countries-members. It is a member also of the European confederation of agriculture and works in cooperation with European committee of agricultural cooperations over the agricultural, social and economical problems of EC. In order to support the organisation of the cooperative union of agriculture in the country is established The union of the agricultural cooperations. All these organisational structures and their institutions grant for the renovation of all activities for the development of agriculture in adequate for the new circumstances direction.

In conclusion can be said that by the carrying out the so laid down policy for regional development of the agriculture and rural regions in Bulgaria (fig.1), a gradual, but stable approachment of the bulgarian agricultural policy to the common agricultural policy of EC will be accomplished, in consequence of which our country and agriculture will be ready for integration in the European structures, that we are aiming

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