

## Development of the Organic Sector in Post-Socialist Bulgaria 1990-2013

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### Abstract

*The paper presents a comprehensive analysis of the social, political and economic processes that influenced the development of the Bulgarian organic sector in a post-socialist context. The analysis identifies and challenges an important scientific gap showing that despite the unquestionable importance of the organic concept for achieving sustainable rural development, that phenomenon has not been subject to a lot of scientific research in Bulgaria. It discusses the influence of the socialist legacy on Bulgarian agriculture and identifies the driving forces that made possible the development of the concept and debates the relevance of the so-called organic sector "boom" in the country.*

### Introduction

Many researchers are certain that the post-socialist transformations and the legacy of the past strongly affect the structure of ownership, organization and production of the agricultural sectors. The aim of the paper is to question the problem of building up the organic concept in terms of national policies, farming practices and market forces in Bulgaria. That aim is fulfilled by answering three main questions: 1) how did the legacy of the socialist past affect the structure of the agriculture and influenced the emergence of the organic concept; 2) which are the driving forces that influence the development of the organic sector in Bulgaria and 3) are economic considerations important while building the organic concept. The relevance of the research findings is achieved through an interdisciplinary approach providing instruments to disclose the emergence of the organic concept and its embeddedness in social, economic and political actions. The paper is supported by the Swiss Enlargement Contribution in the framework of the Bulgarian-Swiss Research Programme through the Project "Addressing socio-economic regional disparities: the potential of organic farming for strengthening rural areas in Bulgaria".

### Material and methods

The results are based on triangulation of qualitative and quantitative methods: 1) 22 semi-structures in-depth interviews with key informants working in the areas of organic farming research, organic farming associations, environmental and consumer organizations, retail, policy decision-makers, extension and administration; 2) Policy document analyses, desk-top analyses of relevant literature and other public resources; 3) network analysis of more than 20 interviews using a semi-structured questionnaire.

### Results

In correspondence to the main research question the results of the analysis can be summarized in the following three dimensions.

- *Legacy of the past and post-socialist transformations*

Unlike other countries like the Czech Republic, Poland, Hungary, Serbia, etc. at the collapse of the socialist system Bulgaria finds itself without an established private ownership of agricultural land as the agriculture itself had developed predominantly in collectivist structures (cooperatives) (Bezemer 2002, Sutherland 2010). At the beginning of the 90s the cooperatives were rapidly destroyed but people professionally engaged with agriculture such as owners or tenants of land were predominantly absent. Thus the legacy of the socialist past affected the agriculture to an extent that hampered the emergence of the figure of the farmer who produces for the market and who is able to maintain subsistence farm. It was only at the beginning of the 90s when a process of land restitution started, following the model of "restitution in actual size", i.e. heirs of the owners of the land which was collectivized during the 1950s receive the same plots of land. This process finished in 2002. The restitution was accompanied by processes of de-professionalization and loss of professional identity as the land was returned to people occupied in other industry or already disconnected from their agricultural and rural roots. Currently the structure of agriculture in Bulgaria is

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characterized by few very largescale farms and a myriad of tiny family plots on the other. The absence of the so-called 'medium sized family farms', 83.2% of the utilized agricultural area in Bulgaria have less than 2 ha (*Ministry of Agriculture and Food 2011*). In addition very small amount of farm owners have formal education in agriculture and there is a tendency of decreasing of the number of farmers.

The land restitution encouraged the appearance of organic farms, not existing before. They are predominantly small in size as the biggest share of the producers possess and cultivate up to 2 or 3 ha and cannot ensure enough amount of production or assortment of products for the market. Most often the organic producers are coming from other industries and having no professional training in agriculture. The first certified organic farm was established in the mid 90s, even before the appearance of appropriate legislation regarding organic farming. The driving forces for development of organic farming involve a broad set of motivations, which might be environmental (nature protection), economic (economic survival), ethically driven (produce in conformity with nature) and even stimulated by opportunities for receiving EU subsidies and other national payments. Thus the appearance of the organic farms in Bulgaria can be further explained with the embeddedness of the organic concept in the cultural, economic and political specifics of the transformation and dependence on national policies-created opportunities, farmers' solidarity and access to markets.

- *Driving forces building up the organic concept*

Two main driving forces that influence the building up of the organic concept in Bulgaria could be distinguished: internal (academic circle, NGOs, agricultural policies) and external (foreign programs and organizations). On the one hand, despite the existence of policy instruments for supporting the organic concept, the policy-making itself is marked by lack of coherence between legislative (ordinances), financial (compensation payment measures), and strategic (national plan) instruments (*Stoeva, Slavova, Georgieva 2013*). On the other hand, although the organic farmers have established several professional organizations, the membership rate is rather low (about 5%) and most of them do not participate in the development of national policies and measures for supporting the sector. In this sense, the impetus for the development of the organic concept did not come from the state, neither from the farmers, but from academic and external factors having experience and interests in the development of organic farming. During the first years of the transformation these institutions managed to promote organic concept as a specific 'culture' of farming and even as a 'cause' based on value oriented practice. Later on the accession to the EU (2007) stimulated profit oriented practices for receiving EU subsidies for organic farming rather value oriented ones.

- *Economic considerations of the development of the organic concept*

While building the organic concept the economic considerations play an important role to the extent where the sector involves different type of actors: organic operators (producers, traders, and processors), occupied in different types of activities and pursuing different kind of economic interests. Their motivations for entering the organic sector vary from a strategy for subsistence of the household, full or part-time employment, receiving EU subsidies, etc. Even more: what is challenging to be explained is that in the Bulgarian case the development of national policies, introduction of financial instruments and organic organizations did not encourage effectively the building of organic market forces. We argue that there are different types of economic logic (values, actions, motivations, etc.) that the different types of operators are following. For example, despite the significant growth of the number of certified organic operators at the end of 2012 associated with a "boom" of the sector development, the leading motivation among operators (the biggest part are producers) is not to produce for the market but to receive EU subsidies. Furthermore, there are operators (producers and traders) who are simultaneously occupied in production, processing and trading in order to increase their gain, receiving profits from the State (EU subsidies) and from the market. We can also outline another group of operators (mainly traders) interesting only in market profit. Considering all of these economic interests in the field the so-called "boom" in the sector should be analyzed with more attention.

As the economic considerations are concerned we can observe a narrowness of the domestic market in Bulgaria. On one hand this is due to the structure of organic farms mentioned above and the different economic interest of the operators. Besides, the biggest part (90-95%) of the production is aimed for export and not for the local market. On the other hand, indeed, during the last three years we observe an increase of the number of specialized shops and stands for organic products as well as of consumers' interest in the biggest cities. However, the high prices of organic production combined with the low incomes in the country are serious obstacle that hinders the development of the domestic organic market. Concerning the export it should be mentioned that except for one or two producers there are no well-established Bulgarian brands on the international markets and the biggest part of organic production is exported as raw materials and not as products ready to be sold.

## Discussion

The origins of the organic notion in Bulgaria can be traced back to the last years of the socialism when certain academic circles started to introduce the methods of organic farming. Later on these circles together with local and foreign NGOs became important internal factors for the building up of the organic concept in Bulgaria. The role of the State still remains questionable as despite the existence of policy instruments for supporting the organic concept, they are not flexible enough to solve newly appeared problems. In such a context the ownership of land could not explain the emergence of the "organic farmer" but rather the existence of a wide range of interests and motivations: produce for markets, produce for subsistence, receiving EU subsidies and other national payments. Others as shown above are interested in market profit. However, we find a significant group of actors (producers) motivated not by the idea for producing in conformity with nature, but it is rather the economic interest for receiving subsidies (a common strategy developed by farmers is to stay as long as possible in conversion because the EU subsidy for it is higher than the one for production).

## Suggestions to tackle with the future challenges of organic animal husbandry

The subject of the paper makes possible suggestions relevant only in post-socialist context and in societies where the organic concept is still developing. In the Bulgarian case we may argue that despite some positive tendencies the organic animal husbandry represents one of the main weaknesses of the organic farming sector. Yet the organic farms in Bulgaria seems not to embrace the orthodox organic concept for combining plant growing and animal breeding but rather to divide the two activities. As a result mixed organic farms in Bulgaria are actually missing. Currently in the country there are only 5 organic livestock breeding farms out of 1916 organic producers. This can be explained with the lack of financial support or compensation payments of organic animal husbandry. The farmers receive no subsidies for breeding or for certification. Another obstacle is the shortage of organic green crop (forage) production as well as of certified slaughterhouses. These facts give ground for suggesting an improvement of national and EU policies for 1) encouraging the organic husbandry, 2) the development of mixed organic farming and 3) creating opportunities for processing organic animal products which in Bulgaria seem to be quite limited.

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