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Centre for Agricultural Strategy

Crisis on the family farm: ethics or economics?

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Gigantism to minisculism - the Bulgarian extremes of 1992

Tom Preston

There may be lessons to be learnt in the UK from the experience of Bulgaria which, in 1945, was a nation of small family farmers. The communists changed that system into a planned economy of 256 state farms on 4.6 million ha. That process is now being reversed. Last year the title deeds were restored to the former proprietors, or such of their heirs as could be found, of 1 500 000 farms. This gives each (on average) far too little land for any form of economically viable agriculture. The EEC PHARE programme is assisting in this transition by providing experts, of whom the author was one.

The precise average size of the farms-to-be is confused by factors such as the presence of Church holdings formerly leased to larger farmers. The indications are that the Church will not engage in farming on its own account again, but its schools may. Many of the new owners are seeking to combine their holdings into larger farms, either by selling or by leasing, for not many have any desire to work on the land.

Bulgarian agriculture is rich and diverse. At low altitudes cotton and rice can be grown. There are excellent vineyards, which are not being fragmented. The Valley of the Roses where 'Attar of Roses' (rose oil) was pioneered has a near world monopoly of this labour intensive crop, suitable for small-scale production and cooperative processing. On the uplands, farming is similar to that in the UK.

The range of problems facing those devising a new policy is complex and formidable. Two important examples of problem areas are 'markets' and 'education'.

With regard to markets, as with many other communist regimes, trade in fresh farm produce was allowed, tolerated or even encouraged. Tomatoes, potatoes, lettuce, flowers and other produce were, and still are, sold by producer stall-holders in traditional 1930s style city-markets. The way in which prices are set is mysterious, but uniform increases or decreases seem to follow some telepathic intelligence on supply and demand. Without this residual system of distribution there would be even greater dangers of food shortage, in the period of change from the communist system.

With regard to education, there are 72 agricultural colleges with over 15 000 students per year and two agricultural universities (each with 100 students per year), one for plant sciences only, the other for animal sciences. Thus, students lack contact with the other agricultural disciplines. This arose from a warped idea of 'divide and rule'. It is now intended to merge the two curricula so that over-specialisation ceases, and some all-round generalists emerge.

In 1945 a school for young farmers (founded in the 1880s along German lines) was almost identical with, say, Wageningen in the Netherlands or Seale Hayne in the UK. The staff have kept the tradition of soil science etc, and are about to start courses for young farmers. But today there are no young farmers who have seen farming on a small scale. A major debate is: 'what is a farm and how big is small?'

Until the late 1980s the least talented school-leavers were sent to learn tractor-driving and maintenance. This occupation was deemed to be less prestigious than truck-driving or chauffeuring. Agricultural college students saw escape thereto from tractors as a clarion career objective. However, the huge tractors needed for state farms are not suitable for small-scale farming!

A major problem now is how to attract farming students who are brighter than average.

If one of the targets of the central planners was to provide gainful employment for 100% of the populace, then the system was efficient and productive, for all the output of the schools had jobs.

Concepts of 'productivity' and 'efficiency' under the former regime were as peculiar to officials and as far from those accepted by practical farmers as they are in Western Europe. The unqualified use of these words is a universal fault amongst farm policy makers; it only serves to prove that those using them without qualification and explanation are mindless. One must specify productivity of *what* and efficiency of *what*. Sadly, the vacuous vagueness of such terminology was as pronounced in the East as it is here.

For example, in relation to 'efficiency', one can deduce that, in relation to John Gummer, Minister of Agriculture, who is a prime culprit in castigating mainland Europe's farming as 'inefficient', and not unknown for using parables, he usually means by 'inefficiency' a lower

return on investment, than on our very large farms. However, efficiency of use of land or machinery or even labour could be implied from this. It is inefficient to overproduce even at a profit, if there is no market. If labour is 'saved', but the workers go on the dole, the total cost to consumers of food plus dole is very far from efficient even in cash terms. It also may be very profitable to a few big farmers.

Similarly, productivity is a term only used by the very ignorant without stating of what. Output of calories of food per calorie of fuel used (NB in some crops the output is less than the input on the productive and profitable prairies) is one ratio of interest. Alternatives include output per man, per hectare, per cow, and per machine-hour, or £ value added per t of product. There are many permutations of these ratios, all of which are of interest to any businessman-farmer or his bankers.

The communist central planning agency in Bulgaria which kept records of every field of the 4.6 million ha, issued orders for cropping and gave targets for input:output ratios. Fertilisers, fuel and so on were all planned. So too was the input and output from the huge pig and dairy farms. There was a two-way flow of paperwork which, some allege, had little relationship to the reality of what was being grown.

The purpose of this paper has been to suggest that there are several lessons to be learned from a study of the reversal of gigantism and the introduction of a market economy.

It is hoped that readers are well versed in parables.

Written Papers:
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