

economic liberalization in post-socialist Bulgaria

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Pre-socialist agriculture

- predominantly subsistence farming
- lack of industrialization (e.g. wood plows as late as the 1930s)
- a million production units comprising 4,3 ha on average
- agricultural cooperative movement and BZNS
- The peasants' class, owning its means of (re)production, remained the backbone of Bulgarian society up until the transition to socialism after WWII
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Early Socialist Industrialization

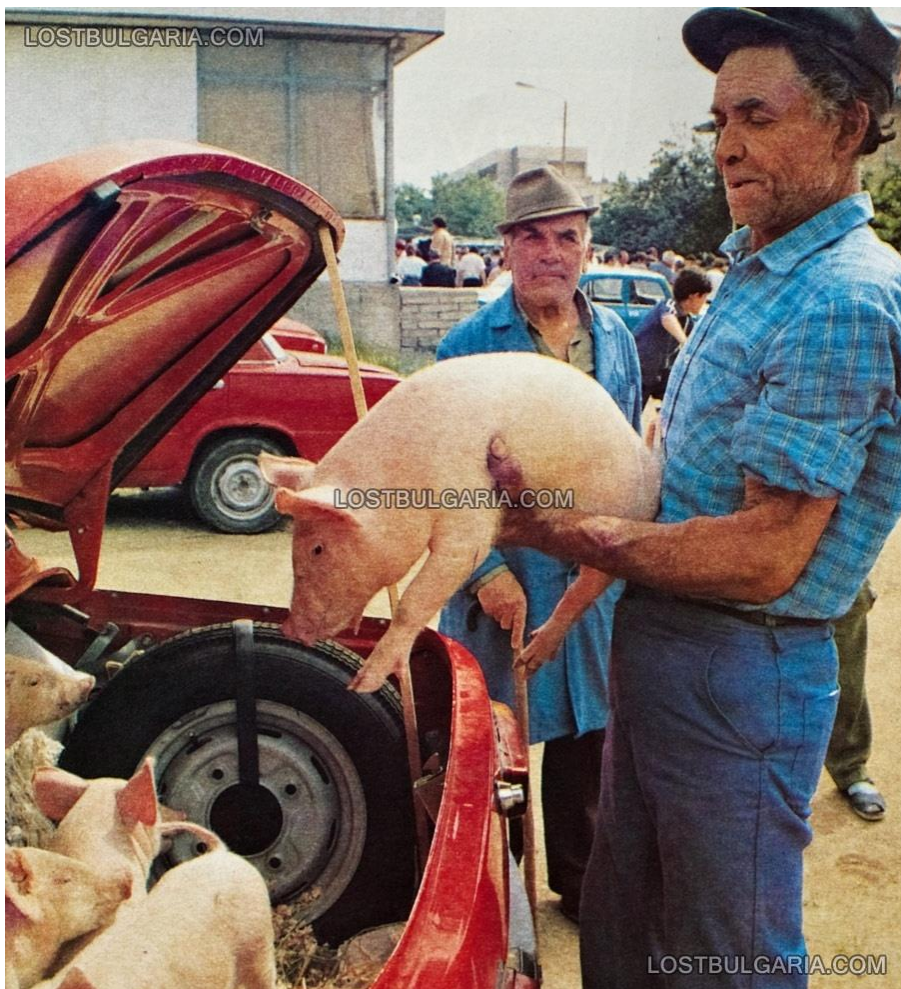
- 1948: less than 8% industrial workers and over 80% subsistence farmers
- 1948 course towards collectivization
- At the end of the 1950s about 90% of the arable land was collectivized in over 3000 state-led cooperatives (of 1200 ha on average)
- resistances to centralization in agriculture and “shortages”

“shortages” and market reforms

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By the late 1970s 30% maize, 24 % of milk, 50% of potatoes, 50% eggs were produced in personal plots





The Round Table after 1989

BCP:

- reformers (Lilov)**
- liberals (Lukanov)**
- nationalists (OKZNI, Parvanov)**

- Union of Democratic Forces**

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2. Land restitution to “original” owners

- fragmenting land ownership who do not want or cannot use this land**
- excluding members of cooperatives (e.g. ethnic minorities)**

Imposing austerity

1997

- privatization and subsequent rapid deindustrialization
- budget discipline and welfare cuts
- currency board and internal devaluation

2001

- privatization of utilities, concessions in mining, privatizing natural parks

2005

- 10% flat tax and new public management in the public sector

The Social Cost

2001:

- 20 % unemployment in 2001;**
- 40 % youth unemployment**

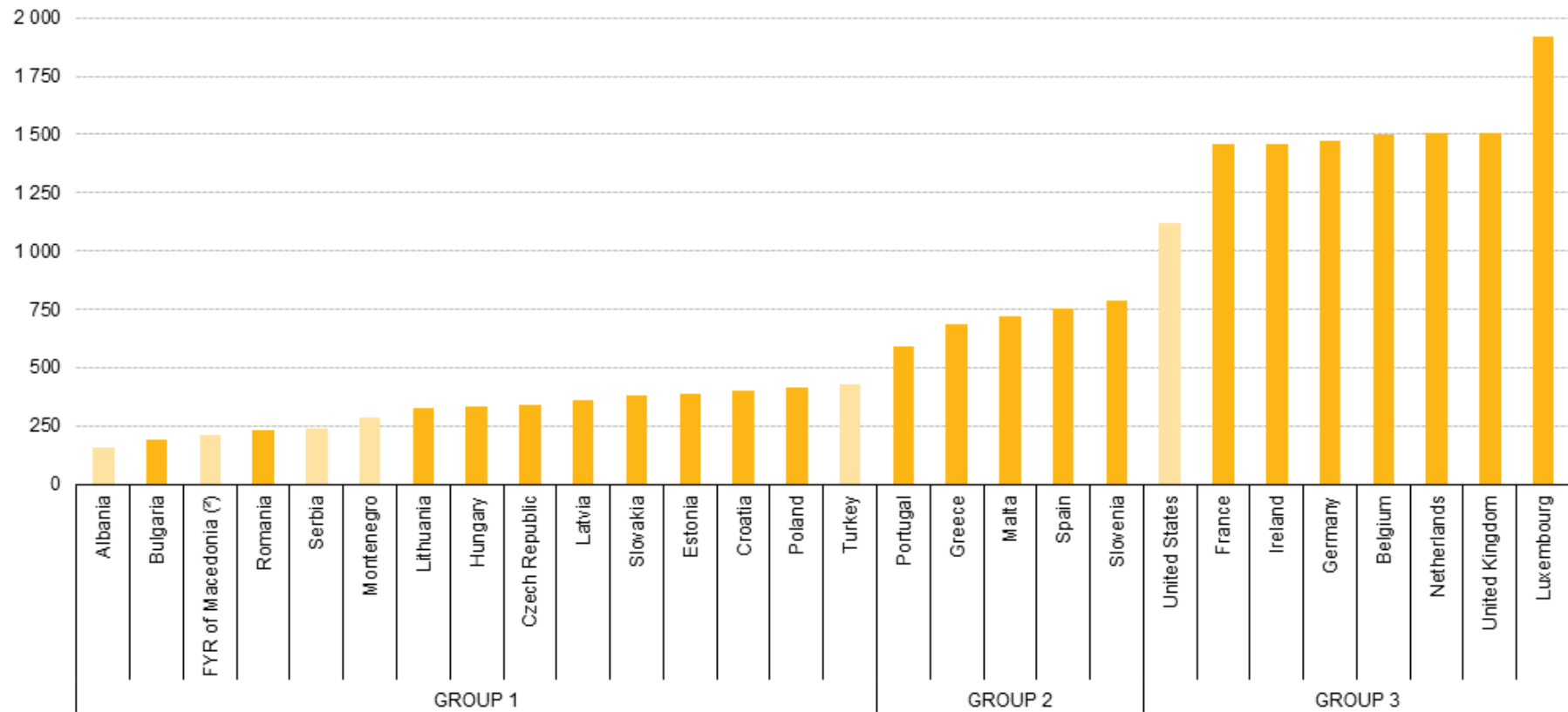
Labour migration to Spain, Greece and Italy

- in 2010 more money from remittances from workers than from EU funds**

Long term social costs

- **60% energy poverty**
- **85 % of household's income towards basic necessities**
- **400 EUR average monthly wage**

Minimum wages, July 2015 (EUR)

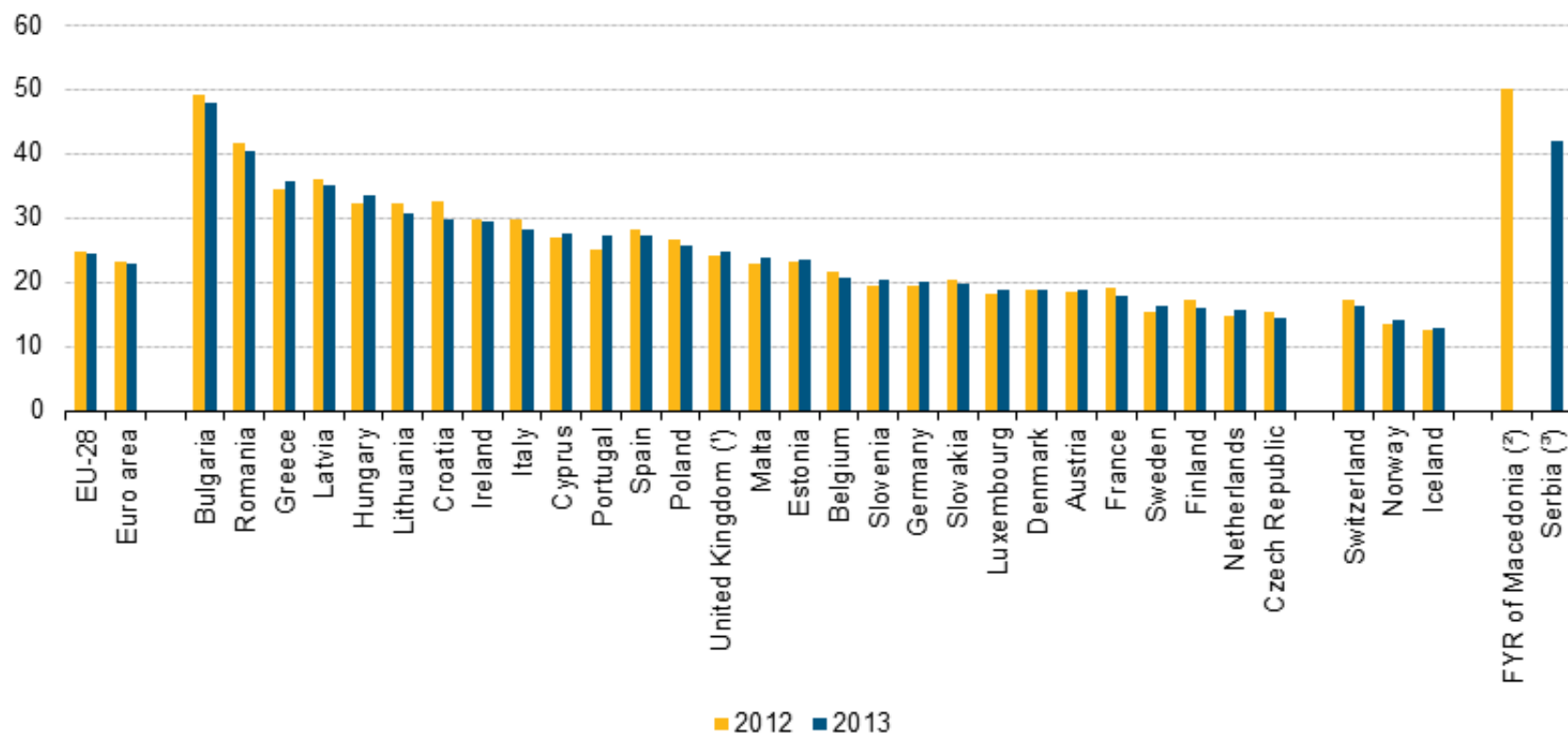


(*) Denmark, Italy, Cyprus, Austria, Finland and Sweden: no national minimum wage.

(*) January 2015.

Source: Eurostat (online data code: earn_mw_cur)

At-risk-of poverty or social exclusion rate, 2012 and 2013

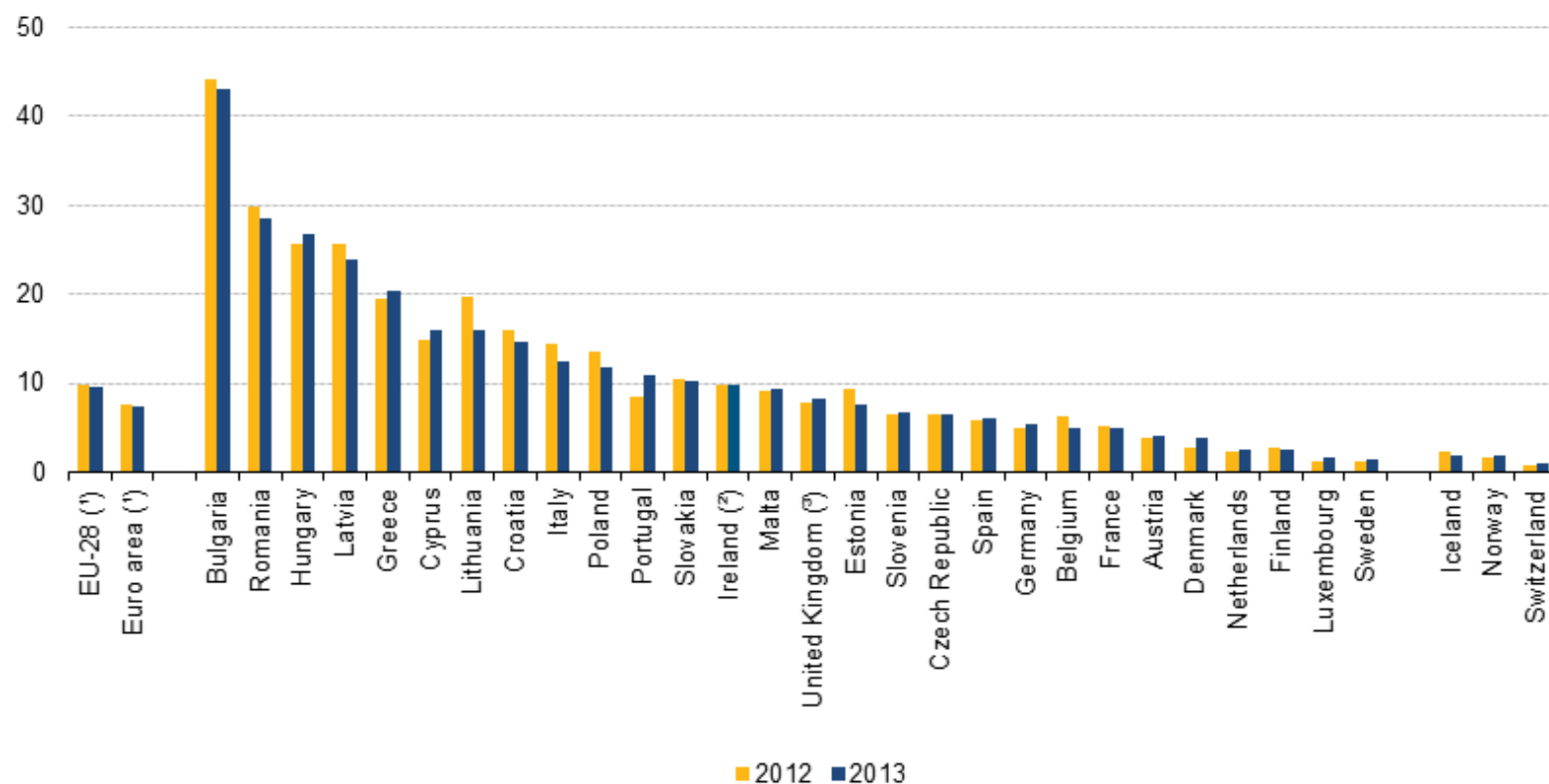


(*) Break in series, 2012.

(2) 2013 data not available.

(3) 2012 data not available.

Severe material deprivation rate, 2012 and 2013



(*) 2013: estimated data.

(*) 2013 data not available; 2012 data instead.

(*) 2012: break in time series.

industrial renaissance

- mining (with concession fees 1-5 %)
- outsourced garment industry (150 000 workers, minimum wages, irregular contracts)
- IT, call centers (higher wages, but only a small fraction of workers)

New industrialization of agriculture

- governmental policies support consolidation (land swaps, “idle” land, etc.)
- CAP and the EU
- capital intensive production
- 2 % of farmers use over 80% of the land

