

LAND RELATIONS IN BULGARIA - CHALLENGES AND TRENDS

Teodora STOEVA, Violeta DIRIMANOVA

Agricultural University-Plovdiv, 12, „Mendeleev” Street, Plovdiv, 4000, Bulgaria,
Emails: teodorastoeva@gmail.com, violeta_dirimanova@yahoo.com

Corresponding author: teodorastoeva@gmail.com

Abstract

Land relations are public relations arising on the basis of land use as an indispensable means of production in the agricultural sector. The purpose of this article is to analyze the challenges and trends in Bulgarian agriculture which is characterized by great intensity and dynamics. In the research of land relations, scientific approach is applied as well as the following methodological approaches: systematic, complex, structural, comparative and value-measuring. The methodical framework of this article provides a summary overview of the main changes in the agricultural policy and the structure of land relations in Bulgaria. For the purposes of the research different information sources have been used - scientific journals, publications by Bulgarian authors, as well as the author's own research.

Key words: land relations, challenges, agriculture, Bulgaria

INTRODUCTION

The processes in land relations, as public relations, are dominated by the changes in the institutional environment and socio-cultural traditions [13].

Given the current stage of development of land relations in Bulgaria, the relevance and significance of such a research are also inferred from the need to solve issues that have emerged as early as during the land reform, as well as issues that have arisen as a result of the implementation of the Community Agricultural Policy [10].

The comprehensive research of land relations is a constant condition for studying their impact on the socio-economic processes in Bulgaria. European subsidies represent an attractive instrument to a large number of farmers, but the money is not always reinvested in business activity.

The payment per unit of area gives rise to a number of imbalances in the sector and a small number of farms cultivate more and more land [13].

In this context, the purpose of the paper was to analyze the challenges and trends in Bulgarian agriculture which is characterized by great intensity and dynamics.

MATERIALS AND METHODS

The processes in land relations, as public relations, are dominated by the changes in the institutional environment and socio-cultural traditions. The methodical framework of this article provides a summary overview of the main changes in the agricultural policy and the structure of land relations in Bulgaria [10]. In the research of land relations, scientific approach is applied as well as the following methodological approaches: systematic, complex, structural, comparative and value-measuring. The diversity of approaches applied in different parts of the research will make it possible to identify and group the factors that determine the processes in land relations while implementing the Community policy. In order to achieve the intended purpose a number of contemporary scientific quantitative and qualitative methods will be used in this research, such as systematic, graphic and comparative one.

RESULTS AND DISCUSSIONS

A main factor for the dynamic changes in Bulgarian agriculture and land relations are the historical changes in the social model of society [8]. The subsequent changes in the

implementation of Community policy and the accompanying mandatory provisions trigger new changes in the industry. One of the preconditions for many of the divergent processes in the sector is the socio-cultural specificities of Bulgaria. A huge variety of possibilities for synergistic effects in the implementation of Community policy in Bulgarian agriculture can arise when traditional attitude meets European policy [11].

The institutional environment in Bulgarian agriculture is a complex system of symbiotic relationships, dynamically changing under the influence of national and sectoral legislation [4].

The administration of land relations, land use in particular, often sets important boundary conditions for land markets. The institutional framework is a decisive factor [3].

The components of the institutional framework are:

- legal framework;
- transferability of properties, transaction costs;
- land taxation systems;

- financial markets; in particular, access to loans as options for mortgaging land and real property.

- Land register

These elements of the institutional framework constitute the system that ensures the functioning of the market, its impact on the maturity of land relations and the importance of economic results in the sector for creating a value chain in the national economy [2].

The new Agricultural Land Act seeks to clarify the use of agricultural land by fixing a maximum duration of contracts, which shall be long enough to allow farmers to plan their future activity in vegetable farms and to protect the producers who have invested in this activity. Thus, the Act will restrict big corporations (foreign legal entities) from purchasing land and will allow young farmers (up to 40 years) to participate in land-lease tenders of land from the State Land Fund. The Act allows for the consolidation of fragmented agricultural land under the so-called "contracts for use" /consolidation contracts [10].

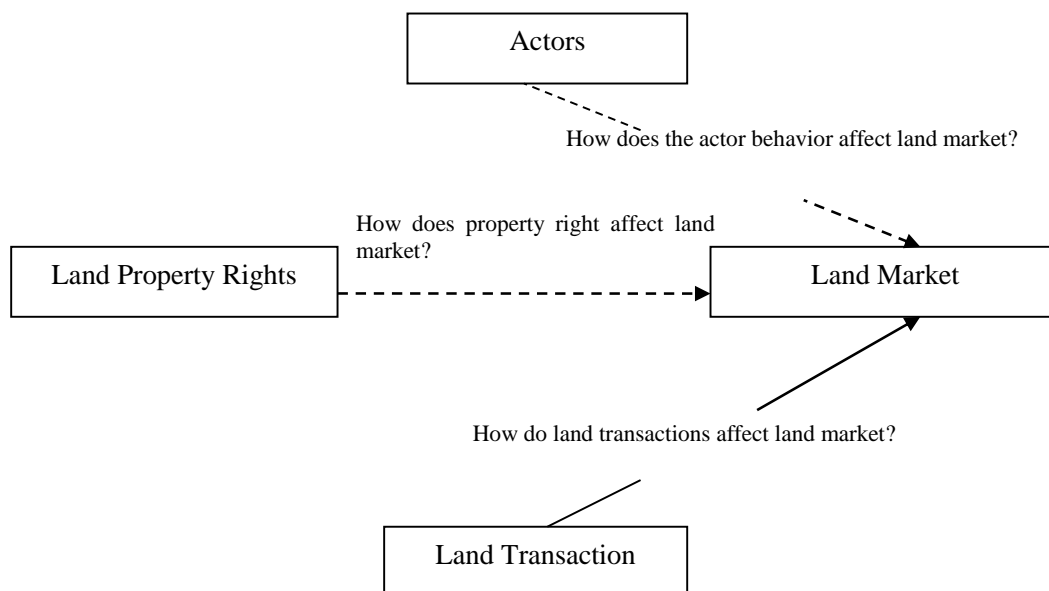


Fig. 1. The impact of land fragmentation on land market development

Source: Own research.

The main goal of the agricultural reform in Bulgaria was to establish the preconditions for a market economy, to restore the land in the country and to privatize the state and collective farms [9]. Restitution of ownership

rights to the landowners, however, is one of the necessary conditions for land market development. The formal institutional changes did not guarantee a workable land market, but

only provided good ground for its development in the future.

Bulgaria is divided according to planning regions. These regions are not administrative-territorial units in the sense of the Republic of Bulgaria's Administrative-Territorial Organization Act. Rather, their establishment corresponds to the European Union /EU/ requirements for implementation of regional policy. We were selected three administrative regions – Northeast, North Central and South Central (Figure 2). These three administrative regions have the largest share of farmland in Bulgaria. For instance, 24 percent of total farmland is located in Northeast region, 20.9 percent in South Central and 19.3 percent in the North Central region [1].

The Dobrich region is located in Northeast Bulgaria and covers the largest part of South Dobrudza. The region is well known for its massive grain production. The soil is fertile but not irrigated. Farmland is divided into large tracts. The largest size for these land track is around 150-200 hectares, while the smallest size is about 30-60 hectares. Also, there is a system of forest belts to protect cultivated crops and to separate land tracts. Land reform in the region began in 1991 and finished in 1997. The transformation process started with land restitution. Landowners claimed their property using different documents to prove ownership prior to collectivization. The land restitution process

in the Dobrich region was completed more quickly in comparison to the other regions of Bulgaria [1].

The Plovdiv region is located in South Central Bulgaria. Total farmland there is about 1.4 million hectares. The land restitution process started in 1991 and was completed in 2000. The main problem during restitution was that many of the documents had landowner names and land size but no information about the precise location of the parcels. In such cases, witnesses provided information about the location of the claimed property [1].

In some municipalities of Plovdiv region where land of similar quality exists, the restitution process was carried out together with land consolidation. However, in this region, a large part of the land was heterogeneous, and the plots were restored according to old and new boundaries. Although the process of land restitution is over, landowners who were not able to obtain their property can still claim it through the court within a ten-year period after the official end of restitution [1].

The farm structure in the region includes many individual producers and a few large commercial farms and cooperatives. The individual producers cultivate almost half of the total farmland in the region, while the large commercial farms cultivate 21 percent and the cooperatives 37 percent.



Fig. 2. Regions in Bulgaria
Source: Statistical Reference Book.

In 2021, Bulgaria had 110,996.84 square km land area, of which agricultural land 60,598.78 square km meaning 54.6%, while forests represented 33.13% (Table 1).

Table 1. Land use in Bulgaria in 2021

Land use type	Sq. km	Ha	%
TOTAL	110,996.84	11,099,684.00	100.00
Agricultural area	60,598.78	6,059,877.73	54.60
Forests area	36,773.08	3,677,308.38	33.13
Urbanized areas	5,133.16	513,315.86	4.62
Transport areas	2,975.79	297,578.86	2.68
Areas occupied by water and water bodies	2 074.57	207,457.29	1.87
Protected areas	1,545.98	154,597.75	1.39
Disturbed areas	470.56	47,055.5	0.42
Not classified	1,424.93	142,492.62	1.28

Source: National Statistical Institute, <https://nsi.bg/en/content/19674/land-use-distribution-republic-bulgaria>, Accessed on Sept.2, 2022 [5].

Land transaction have become more frequent from a year to another and the average price of land transactions has substantially increased as shown in Table 2 regarding the price level in the year 2021 compared to its level in the year 2010.

The average price for total transactions reached 1,106 Levs/dca in 2021 being 3.86 times higher than in the year 2010.

The average price of land transactions differs from a region to another depending on many aspects like: the geographical position of the land, soil quality and its destination.

In 2021, the highest average land price per transaction accounted for 2,067 Levs/dca in Dobrich and the lowest level for 120 Levs.dcs in Pernik.

Agricultural rents also increased in 2021 compared to their level in the year 2010. The rent level also varied from a region to another. In the year 2021, the highest rent level was registered in Dobrich accounting for 108 Levs.dcs, followed by Silistra with 85 Levs/dcs.

Table 2. Average prices of land transactions, Bulgaria, 2021 versus 2010 (Levs.dca)

	2010	2021	2021/2010 %
TOTAL	279	1,106	386.4
Severna Yugozapadna Bulgaria	285	1,256	
Severozapaden	249	1,282	440.70
Vidin	210	1,014	482.85
Vratza	222	1,254	564.86
Lovech	195	694	355.89
Montana	312	1,532	491.02
Pleven	259	1,395	538.61
Severntsentralen	295	1,273	431.50
Veliko Tarnovo	280	1,158	413.57
Garbovo	439	498	113.43
Razgrad	211	1,255	594.78
Ruse	395	1,295	327.84
Silistra	277	1,526	550.90
Severoztochen	365	1,541	422.19
Varna	237	1,250	527.42
Dobrich	531	2,067	389.26
Targovishte	272	898	330.14
Shumen	186	998	536.55
Yugoztochen	230	928	403.47
Burgas	236	869	368.22
Silven	233	1,059	454.50
Stara Zagora	231	897	388.31
Yambol	220	954	433.63
Yugozapadna Yuzhna Tsentralna Bulgaria	250	665	266.00
Yugozapaden	302	652	215.89
Blagoevgrad	523	-	-
Kyustendil	361	525	145.42
Pernik	-	120	-
Sofia	140	683	487.85
Sofia(Stolitza)	-	1,209	-
Yuzhen Tsentralen	230	674	293.04
Kardzhali	354	-	-
Pazardzhik	257	706	274.70
Plovdiv	212	810	382.07
Smolyan	476	-	-
Haskovo	204	491	204.58

Source: NSI, 2022, Agricultural Land Market, <https://nsi.bg/en/content/11264/agricultural-land-market>, Accessed on Sept.2, 2022 [6].

The lowest rent was in Garbovo, 22 Levs/dcs, followed by Kyustendil, which recorded a little more, 25 Levs/dca (Tabel 3).

Table 3. Agricultural rents in Bulgaria in 2021 versus 2010 (Levs.dca)

	2010	2021	2021/ 2010 %
TOTAL	23	54	234.7
Severna I Yugoiztochna Bulgaria	25	60	240.0
Severozapaden	19	55	289.5
Vidin	14	55	392.8
Vratza	20	56	280.0
Lovech	15	33	220.0
Montana	18	57	316.6
Pleven	22	60	292.7
Severntsentralen	25	64	256.0
Veliko Tarnovo	23	54	234.7
Garbovo	9	22	244.4
Razgrad	22	67	304.5
Ruse	23	63	273.9
Silistra	36	85	236.1
Severoiztochen	40	81	202.5
Varna	25	66	264.0
Dobrich	61	108	177.0
Targovishte	21	46	219.0
Shumen	21	57	271.4
Yugoiztochen	15	40	266.6
Burgas	15	36	240.0
Silven	16	42	262.5
Stara Zagora	15	40	266.6
Yambol	15	43	286.6
Yugozapadna I Yuzhna Tsentralna Bulgaria	13	32	246.1
Yugozapaden	13	28	215.4
Blagoevgrad	16	-	-
Kyustendil	8	25	312.5
Pernik	11	27	245.4
Sofia	11	27	245.4
Sofia(Stolitza)	15	38	253.3
Yuzhen Tsentralen	13	34	261.5
Kardzhali	14	29	207.1
Pazardzhik	11	36	327.1
Plovdiv	13	35	269.2
Smolyan	4	-	-
Haskovo	16	31	193.7

Source; NSI, 2022, Rent and lease of agricultural land, <https://nsi.bg/en/content/11265/rent-lease-agricultural-land>, Accessed on Sept.2, 2022 [7].

CONCLUSIONS

The issue of land relations is an extremely complex social phenomenon. The economic, social and environmental influences involved

in it have a two-way impact and interact with agriculture.

Land reform has eliminated the so called TKZS (Cooperative Farms) before restoring the land ownership. No liability has been claimed for the criminal transactions. The chaotic structural changes that followed have led to the elimination of what have been achieved in the past without the intervention of the state. The loss of old markets and severely limited access to European markets is the other important reason for the current state of the agriculture. The lack of the state's regulatory role has led to the decline and destruction of intensive industries such as fruit and vegetable production, etc. [12].

Possible solutions for the improvement of land relations, land management and land use have emerged in the course of the research and analysis: land rent and land market with a view to overcoming some of the negative processes and trends that have emerged in Bulgarian agriculture during the implementation of CAP 2007-2014, as well as some subsequent adverse trends in the current programming period. This will contribute to a general improvement of the situation in the industry, as well as to a more efficient disbursement of financial assistance for the period 2020+, taking into account the national priorities and achievement of results [10].

ACKNOWLEDGEMENTS

This study has been made within the framework of the project "Land Relations and European Policy: Synergy and Prospects for Bulgarian Agriculture" - KP-06-H35/2, funded by the Research Fund of the Ministry of Education and Science in Bulgaria.

REFERENCES

- [1]Dirimanova, V., 2008, Economic Effects of Land Fragmentation: Property Rights, Land Markets and Contracts in Bulgaria, Vol. 29 in Institutional Change in Agriculture and Natural Resources, Shaker Verlag: Aachen.
- [2]Kaneva, K., Nikolov, D., Yovchevska, P., 2018, Bulgarian Agriculture: Ten Years of CAP – Results and Future Challenges After 2020, Economics and

Management of Agriculture Magazine, 2/2018, pp. 3-13, Sofia.

[3]Ministry of Agriculture and Food, National strategy for sustainable development of agriculture in the Republic of Bulgaria for the period 2014-2020.

[4]Ministry of Agriculture and food, Agrostatistics Directorate, 2013-2018.

[5]National Statistical Institute, NIS, 2022, <https://nsi.bg/en/content/19674/land-use-distribution-republic-bulgaria>, Accessed on Sept.2, 2022.

[6]NSI, 2022, Agricultural Land Market, <https://nsi.bg/en/content/11264/agricultural-land-market>, Accessed on Sept.2, 2022.

[7]NSI, 2022, Rent and lease of agricultural land, <https://nsi.bg/en/content/11265/rent-lease-agricultural-land>, Accessed on Sept.2, 2022.

[8]Stoeva, T., 2015, Competitiveness of Bulgaria vegetable production after the EU enlargement, Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development Vol. 15(2): 391-394.

[9]Stoeva, T., 2015, Prerequisites and conditions for the development of Bulgarian agriculture and vegetable production-Current situation, issues and priorities in the context of the CAP, Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development Vol. 15(2):397-400.

[10]Stoeva, T., Dirimanova, V., 2020, The role of the new land relations for the development of vegetable production in Bulgaria, Scientific Papers Series Management, Economic Engineering in Agriculture and Rural Development Vol. 20(4):507-512.

[11]Yovchevska, Pl., Nikolov et al., 2015, Significance of vulnerable sectors for Bulgarian agriculture, pp.20 In: 'Analysis of the sectors with coupled support', Published by Institute of Agricultural Economics, Sofia, 2015.

[12]Yovchevska, Pl., 2016, Effect of the application of the coupled support schemes, Agricultural economics and management, Vol.2-4/2016, pp.65-66.

[13]Yovchevska, Pl., et al., 2019. Studio Land relations: theory, practice, perspectives, Published by Institute of Agricultural Economics, Sofia, pp.18.