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Auxiliary Work in the Household Run Farm in the Period of Changes in Bulgaria

During the last 40 years Bulgarian agriculture was based on state-owned farms, and the people obtained their incomes mainly in the form of wages. The only form of agricultural economic activity which was not connected with wage labour was auxiliary work in the household run farm. In order to better explain its nature, we should point out that in Bulgaria there were, and still are, two types of agricultural employment: main and additional. Main employment is permanent wage employment in agricultural enterprises. Additional employment, in turn, can be of two types: work under contract with an agricultural enterprise for the production of specified (in kind, amount and quality) agricultural products, or auxiliary work in the household run farm (independent household farming). The household run farm comprises several decades* of land distributed by the agricultural enterprise free of charge among their workers or among those who have delivered a definite quantity of products to the state, either in order to meet their own needs or for sale. Up until several years ago, the size of these plots was determined by the agricultural enterprises and depended on the work fulfilled in the state agricultural sector by those willing to cultivate such auxiliary plots of land. Over the past 3 or 4 years, the amount of land became practically unlimited, usually not exceeding 5 decades and was given to anyone who wished. This work, in contrast to work in agricultural enterprises, is performed on one's own and is relatively independent from the state. The peasant himself decides what kinds of crops to raise and what amount of crops to produce, as well as which products will be for household consumption and which for sale. Another form of agricultural activity, performed as additional employment, is the agricultural work done by the peasant and his family in the village yard. However, these village yards are so small (one decade or a decade and a half) and until now the

*Decade - Bulg. dekar = about 1000 square metres (1/4 acre) [ed. note]

statistics in Bulgaria used to register the amount of production and the income, if any, received from it, together with the production and income from auxiliary work in the household run farm.

Auxiliary work was practised by the following social strata in the Bulgarian society: by the permanently employed in agricultural enterprises; by the permanently employed in non-agricultural branches who live in villages; by workers who live in towns, but who have preserved their ties with the village where they had migrated from.

The household run farm is a phenomenon typical of the centralized planned economy. It bears the traits of both centralized planned economy and household farming. During the whole period of its existence the peasants used to refer to it as 'private', because there they worked independently. Nevertheless, the omnipotent Communist state used to intervene, because this land was state owned and those who cultivated it were only its users; the state, if it only wished, could take it back. These relations remind us of the historically first form of privatization carried out under feudalism. This was the transfer of land, originally owned by the crown, to the feudal lords — for life or for ever, the monarch preserving his sovereign right over it. The use of land required of the feudal lord military service and payment of taxes, in money and in kind. The monarch could take away the land, in his own favour, if the feudal lord did not pay taxes and did not fulfil his military service duty or if he participated in plots and riots. Similarly, the communist state could intervene in household farming.

Auxiliary work in the household run farm is a form of agricultural activity in the conditions of independent management and use of the means of production which have been rented from the state free of charge, their user being also an immediate producer. Household farming has developed as an alternative, though a hidden one, of state farming by which the Bulgarian peasant tried to preserve the traditions of the destroyed independent private farming.

In the conditions of a centralized planned economy, the state favoured state farming. Large resources were invested, funds were created, modern machines and equipment were used. In particular years in the past the public capital investments in agricultural enterprises in million leva were as follows: for 1986 — 610.9; for 1987 — 690.3; for 1988 — 868.1; for 1989 — 869.4; and for 1990 — 922.4 (Statistical Yearbook, 1991; p. 37). Household farming developed without public capital investments; it used primitive agricultural equipment and employed manual, heavy physical labour. Moreover, it was additional work, i.e. those who practised it had other main jobs and were engaged in it in their free time only. The development of state farming in Bulgaria led to a shortage of agricultural products on the market and household farming was permitted by the ruling political power with the only purpose to overcome the shortage of food in a traditionally agrarian country which had been famous in the past for its agricultural

production. In the beginning auxiliary work in the household run farm developed mostly as a means for providing its own self-sufficiency in agricultural products and, later, it appeared on the market too. Although household farming cost less to society than the investments for stimulating state farming, it satisfied to a much greater degree the social needs for definite kinds of products: fruits, vegetables, meat, eggs, honey, etc. Work on the household run farm was much more intensive and, in the final analysis, much more productive. It provided much higher incomes for the peasants — both in money and in kind — than their earnings from wages paid by the agricultural enterprises. For example, in 1990 the shares of household farming and state farming in gross agricultural production were as follows: the agricultural enterprises produced 30.2 per cent of the corn, and household farming — 67.8 per cent; the agricultural enterprises provided 34.5 per cent of the potatoes, and household farming — 63.4 per cent. In the state sector 34.1 per cent of the plums, 32.4 per cent of the cherries and 49.3 per cent of the grapes were grown. The figures for the household run farms were respectively: 63.3 per cent of the plums, 66.4 per cent of the cherries and 50.4 per cent of the grapes. The state sector produced 46.3 per cent of the meat, and the household run farms — 50.5 per cent, chicken, respectively, 34.3 per cent and 65.3 per cent. The agricultural enterprises obtained 11.0 per cent of the bee honey, and the household-run farms — 87.3 per cent. (Statistical Yearbook, p. 43).

During the indicated period the household run farms cultivated 13 per cent of the total amount of cultivated land and about 320,000 families were engaged in auxiliary work. Household farming is based on both family work and informal, kinship relations whose support is needed in peak periods when some heavy work is to be done in a short time. On the other hand, it provides in-kind income not only for the immediate producers but for their friends and relatives living in towns. Paradoxically, the successful performance of the household run farms in the course of many years was described as an achievement of socialism, while in fact it was just the opposite — an evidence of the failure of centralized planned economy which, based on state ownership subject to the dictates of the ruling political power, destroyed work incentives and alienated the peasants from the land.

Household farm incomes in the total structure of incomes of the Bulgarian population

In the past and in the present period of crisis, a large proportion of the incomes earned by peasants does not come from their permanent employment, i.e. from wages, but from auxiliary work in their household run farm. Data show that the share of peasants' incomes from household farming in the structure of their total income is almost equal to their wages.

(According to the monthly observations of the National Statistical Institute on the household budgets of the population.) For example, in 1989 the share of the peasants' wages in the structure of their total income was 36.5 per cent, while household farm earnings accounted for 33.7 per cent of their total income (Household Budgets, 1991, p.7.). In 1991 the share of wage incomes, as compared to their share in the preceding two years, drops to 30.0 per cent, while the share of household farm incomes rises to 36.2 per cent (Monthly Observations...). Data on the total income in 1991 show that on a national scale 21.4 per cent of it was received in kind, i.e. most of it had been produced in the household run farms. In the same year, the proportion of in-kind incomes in the structure of the total income of blue-collar workers was 20.5 per cent, of white-collar workers — 20.54 per cent, and of peasants — 34.07 per cent¹. The high relative share of in-kind incomes in the structure of the total income of blue-collar workers and white-collar workers shows that they have chosen household farming as a significant source of income.

We can conclude, therefore, that all social strata, and peasants in particular, receive in-kind rather than money incomes from their household-run farms. The share of in-kind incomes in the context of economic crisis, which has become particularly acute since 1990, still tends to increase. A large amount of the agricultural output has been either consumed by the producers themselves, or given to friends or relatives. In Bulgaria the in-kind income from household farming has always been higher than money income. However, under the conditions of economic crisis, when the old mechanisms of the centralized planned economy are being destroyed, and the new market structures have not been developed yet, the in-kind support from the villages has become nothing less than the most important factor for the survival of the population. Those who could rely on in-kind income from household farming are more likely to survive. Undoubtedly, they are in a more favorable position than the rest of the population who lack such incomes. In this sense, auxiliary work in a household run farm is a factor of income stratification and the differentiation between persons who are engaged in auxiliary work and persons who lack such opportunities.

The tendency of household farm incomes to become mainly in-kind incomes has another explanation too — the not yet developed networks of purchase, trade and transportation organizations, intended to help producers bring their products to the town markets. But, obviously, as soon as the mechanisms of market rural economy are developed and begin to function, the situation will change.

As might be expected, side work in a household run farm is practised predominantly by rural dwellers, but some town dwellers are also engaged in it. In 1991 the share of household farm incomes of city dwellers in the

¹Statistical Yearbook of the Republic of Bulgaria, published by NSI, Sofia, 1991.

overall structure of their incomes was 8.5 per cent; of village dwellers — 35.1 per cent. Engaged in household farming, especially when retired, are mainly individuals who have previously migrated from rural areas and have not lost their connections with the country².

In the situation of a dramatic rise in living expenses in Bulgaria, consumption is largely determined by the circumstances of whether one lives in a village or whether in a town, whether one has a household run farm, or whether some relatives upon whose in-kind support one can rely. The index of consumption calculated by the National Statistical Institute on the basis of the observed consumer goods basket, including 1500 goods, in the first 9 months of 1991 increased by 443 per cent. The average retail prices of foodstuffs rose to become higher than the prices of other consumer goods, while the average wages for the same period were only 2.3 times higher and this affected seriously the consumption of the Bulgarian population. For the peasants, the share of money expenditures on food are traditionally lower. In 1991 they represented 34.0 per cent of their money income, while for town dwellers it was 40.5 per cent. The difference of 6.5 per cent between the shares of money spent on food by these two groups is equal to the share of housing, heating and lighting expenses of the rural population for the same period³.

Auxiliary work in a household run farm has proved to be, on the one hand, a source of income and, on the other, a source of money saving. This fact explains why it is the most widespread form of side employment among the Bulgarian population as compared to side work in private firms and in the service sector. In the period between May and June 1991 the National Statistical Institute carried out a sociological survey on *Labour and Social Activity of the Population*⁴. The survey data show that 49.9 per cent of all individuals engaged in additional work are engaged in household farming, and 28.0 per cent also have side jobs in agriculture, but in the form of contract work for agricultural enterprises — breeding animals or producing agricultural products. It is true that the popularity of side employment in household farming is due to the circumstance that it is a more easily available form in comparison with the other forms of side work; at the same time, certain traditions in this type of work have been established. And these same traditions proved that this form of employment was advantageous both for the people engaged in it and for society.

The transition to a market rural economy demands privatization of state property. In Bulgaria this process is being carried out by restoring the property to its former owners (or their heirs) — restoring ownership over

²Monthly Observations of the National Statistical Institute on the Household Budgets of the Population, published monthly.

³Household Budgets, NSI, Sofia, 1991.

⁴D. Mircheva, *Labour and Social Activity of the Population*, published by NSI, Sofia, 1992, in press.

the land that had been collectivized by force in the past. In the spring of 1991 the Law on Land and Agricultural Land Use and the Regulations for its implementation were passed; they represented the legal basis of the agrarian restitution. In the spring of 1992 this Law and the Regulations were amended. As a result, the land of only 17 per cent of the former land owners has been restored until now.

And what about the future of auxiliary work in a household run farm?

First, the question arises whether it is correct to describe it as 'auxiliary' if, as already mentioned, both those engaged in it and society as a whole depend on its produce. Second, in the future it is not very appropriate to keep speaking of 'household' farming because after the restitution of land the peasants will cultivate the land in their private farms.

Given the quickly changing picture of Bulgarian reality today, it is very difficult to predict any of the future developments. However, the traditions of Bulgarian agriculture, as well as its present state, give evidence that the peasants will not lose interest in independent farm work. Even if they should incorporate their land in some production cooperatives, and this is what the majority of owners will most probably do, they are going to leave for themselves some small parcel of land for household cultivation and agricultural production for home use or for sale on the market.

Note

1. There are a number of inaccuracies in the typology of social groups used by NSI. The category of white-collar employees artificially brings together those engaged in intellectual work and those performing routine non-manual work. The sphere of employment of the head of the household determines to which of the indicated groups the respective household belongs: manual work in industry characterizes the heads of household of workers — 53.3 per cent of the studied households for 1991; 31.1 per cent of the surveyed households belong to the group of white-collar workers, i.e. those employed in non-manual work, and 15 per cent — to the group of agricultural labour, i.e. the peasants.