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Reprivatization without Peasants

The Unexpected Effects of the Agrarian Reform Laws and the Reproduction of Rural Elites in Bulgaria: A Preliminary Report

INTRODUCTION

The significant changes in Eastern Europe since 1989 have increased the interest of the social science community in problems and in approaches of dealing with changes in the region. Only a few theorists are involved in forecasting activities. The majority of the researchers approach the facts and their perception by analyzing the different social groups. It is worth to compare these processes on an international level, especially when the political, economical and cultural differences between the separate states in Eastern Europe make the dramatic transformation after 45 years of similar development.

The study of the agrarian development in the period of transition could reveal some new characteristics of the transitional societies in the region with regard to its legal basis and to the social features of the elite: their interest and ability to adapt to the changes.

The Bulgarian case will add both: a non-western and a comparative eastern dimension to the study of the elite transformation.

The collapse of the socialistic system in Bulgaria at the end of the 1980's led to profound changes in social relations. The proposed article examines the transformation of the agrarian relations based on a case study of four villages located in the north-eastern part of Bulgaria and of two suburbs (Trojan and Sofia). It analyzes the factors, the mechanisms and the consequences of agrarian policy in Bulgaria at the beginning of the 1990's provoked by political, economic and legal changes as a result of domination of a new ideological class.

The land reform is a key component of the agrarian policy in the process of transformation from command to market economy. The change of the political, economic and social system taking place in the country includes the following basic transitions with regard to agriculture. Firstly, a change in land relationship — a new type of land ownership and land cultivation, secondly, an attempt to liquidate the existing collectives, and thirdly, the creation of new type of structures to stimulate and motivate agricultural entrepreneurship and effective production.

The consequence of land ownership liquidation in the years of communist power, was alienation from the land. With the political change in Bulgaria comes a reprivatization of landownership and restructuring of agriculture along a private basis.

The liquidation of the socialist collectives includes three steps: the identification of the previous owners of land, the return of land to the owners in the boundaries that existed 48 years ago and the division of the collective properties. Many reasons slowed the restructuring process down and made it very difficult: the long period of collective cultivation, the accumulation of land into blocks of several hundreds hectares each, the nationalization of some land for industrial constructions and roads and the loss or liquidation of ownership documents.

The basis for the agrarian reform in Bulgaria is the Land Law, accepted by Parliament in 1991 and additionally changed in 1992. It creates the legal framework for the reprivatization of the land.

The historical interplay of interests has created a very specific situation in Bulgarian agrarian development. The objectives of the following parts will analyze it.

THE OBJECTIVES OF THE LAND REFORM FROM 1990's

The land reform is a key element of the agrarian policy in the process of transformation from command to market economy. The change of the political, economic and social systems taking place in the country includes the following basic transitions with regard to agrarian development. Firstly, the change in land relationships, meaning that a new type of ownership and cultivation has to be established. Secondly, the liquidation of the existing collectives, and thirdly, the creation of new types of structures which motivate efficient agricultural production.

As a response to these objectives, the agrarian change in Bulgaria aims a reprivatization of the land and consequently a restructuring of agriculture on a private basis and on market principles.

The liquidation of the socialist collectives includes several stages: the definition of the former land owners — the ones who were forced or willing

to give up their lands and to accumulate it in the collectives; the return of the land to these owners or their inheritors within the boundaries that existed 47 years ago; the division of the property of the collectives between land owners and employees of the collectives.

The legal basis for agrarian reform in Bulgaria is the Land Law, accepted by the parliament in 1991 and additionally changed in 1992. The articles of the law require the land to be returned to the previous owners according to their land possession in 1946.

In Bulgaria was accepted a very radical law for agrarian change. The reform meant to totally destroy the existing agricultural structures, without any limitations to the amount of land anyone can get in the land market.

The proposed law defined that the land has to be given back to its former owners: piece by piece as they had owned it after the post-war agrarian reform in 1946. In the mountain regions, this article of the Land Law does not create difficulties because the boundaries have mostly stayed the same since 1946. The problem comes up with the plain regions where blocks of several hundreds hectares of land were put together with necessary irrigation and roads.

The statistical data shows that 1,783,808 owners possess between 0.1 and 1 hectare, 171,394 — between one and five hectares, 8,508 — between five and ten hectares and 580 people more than ten hectares. The last group makes 0.03 per cent of all land owners.

If the land has to be returned deviated into these little pieces, negative effects including the impossibility for modern cultivation would be accelerated. This is the weakest point of the law as the division of the accumulated lands is not rational from an economic point of view. The application of this article, especially in the plain regions, will bring many negative effects to agricultural development.

A very important economic and social problem in the restructuring of agriculture in Bulgaria is that in reality about two third of the owners want their land back — although, they do not plan on cultivating it themselves. As a consequence, the contradiction between the desire to possess land but not be willing to cultivate it (quite often land owners with enough land and enough financial resources to realize modern agriculture), is a barrier for the realization of the agrarian reform in the country.

The possession of small pieces of land does not stimulate people whose main job will be agriculture. In this sense, the ownership itself is not a mechanism for the appearance of creative motivation in agricultural activity.

These are rather economic and technological consequences, but the agrarian reform includes also a very significant change in the value system of the rural population — so there is a social change taking place in

Bulgaria since 1989. There is a trend to erase the socialist period, to exclude it from Bulgarian history. One way to realize this aim is to restore the ownership relations from the 1940's: a rather individualistic approach to destroy, which can be designed on paper, but which is impossible to realize. It is very difficult to destroy the collective memory of people.

THE MYTH OF PEASANTRY

The migration waves exhausted the villages. Partially the migration's function was to regulate the number of people invoked in agricultural activity. Nevertheless, it destroyed the demographic structure of the villages.

There are three groups of people living nowadays in the village. The biggest group, about 70 per cent of the villagers, consists of people who permanently live in the country. The second group includes the people who live in the villages, but work or study in the towns. And the third group involves these people who have houses in the villages, but live permanently in the cities and come only for the weekends or for the summer vacation.

The way people live in villages reflects the changes in their social identification. The study of the structure of employments and of education shows that the transformations in the villages resembles these in the cities and vice-versa. It reveals the overlapping of rural and urban structures. The most important characteristic of social changes in the village is the decrease of people working in agriculture. Today only 23 per cent of the villagers are involved in this activity. Bulgaria is not unique in this development. It is predominantly a result of the modernization of agriculture. As the new situation requires less but better educated employees, the number of active people in agriculture has decreased. The intergenerational educational mobility in the Bulgarian village is very high: in 1934, for example, 93.2 per cent of the peasants had only a basic education (while in 1985 35.4 per cent belonged to this group). About 0.7 per cent of the country population went to universities.

The level of education among the rural population is lower in comparison to the one people have in the cities. The two main reasons for this are the migration of educated people towards the cities and the very bad demographic structure in the villages.

As a whole, the population in the villages is very heterogeneous. A fourth of the population is mainly employed in agriculture. However, all villagers, especially in difficult times of transition, look for security and certainty in everyday living, cultivating small private lands mostly for personal needs.

The question is, why people want their land back — to cultivate, to rent, to sell? The reprivatization of the land will produce millions of land owners,

but not all of them will become farmers. The question is — are there now enough people in Bulgaria with the disposition to become farmers?

Many of the employees working in agriculture now are landless people. The statistical data reveals that more than 30 per cent do not possess land at all. Many others possess some in other regions of the country. There is such a paradox — the ones who are working in agriculture have experience, knowledge and very often no willingness to work in agriculture.

Today's land owners have various interests — some of them want to sell, others want to get more, some want to rent it and only few would like to cultivate it.

All in all, the agrarian reform in Bulgaria has one main objective: the search for peasants, but the reprivatization goes on without any. If we use the possession of land as a criteria as well as the possession of abilities, then there are three main groups which are interested in land reform.

Firstly, the people from the cities who own land, but cannot cultivate it. Their possession of land creates an interest to take profit from it. So they are in search of peasants who would cultivate their land and pay rent for it. With the reprivatization this group has had the initiative to create coops on the principle of land possession. Since coop is the only form of land cultivating they know, they started organizing coops of land owners and hired management and employees to cultivate the land. Later this group split: some of the land owners preferred that their land became cultivated by private farmers realizing that this system was economically more attractive. This first group has no relation to their land, besides an economical one. They received it unexpectedly, without any effort. They have jobs different from cultivating land, since they do not want to change their way of life. These owners identify themselves with land ownership but not with the soil.

Secondly, of people who know how to cultivate land and who possess land, within this group, two subgroups can be distinguished. The first one consists of villagers of working age. They still work for the collectives. They possess very small pieces of land and are interested that the collective or coop organization of land cultivation remains the same, so their salaries stay guaranteed and they do not have to take any risk. They prefer the old socialistic way of life: not working hard, not receiving much, but having a definite economic and social security. They fear the liquidation of the coop because they do not possess enough land to survive only by cultivating their own land — the income from it would be too little and they would not be able get any other job at the moment. This group's interest is that nothing will be changed in the structure of agriculture.

The second subgroup consists of land owners who are either pensioners in the villages or who live in the cities and towns. Their land is in the same region as they are. It is important to recall that this group is significant

in number. Their possession of land has an average of one to two hectares. Their goal is to survive in this time of transition and to secure their daily food. They were not peasants in past years — these people still have other professions and they want to cultivate their land in their free time. They want their land back as a resource for additional earnings.

The third group involves the people who can and want to be the farmers. They possess only small plots of land in comparison to what they think they would have to possess in order to develop modern farming. One of them expressed that he could cultivate thousands of hectares, but that he and his brother possess only fifty hectares. These are the agrarian specialists from the collectives. This group represents the potential farmers in Bulgaria. As they do not possess enough land, their tactics are to change the old agricultural structures and based on their knowledge, they want to take profit out of the new situation. This group has undergone substantial transformations which are discussed in the next chapter.

THE TRANSFORMATION OF THE AGRARIAN ELITE

Now, the important questions are who has the initiative, who is ready to take risks (based on his interests), and who can adapt himself to the new situation. And the other significant question is, if it matters who manages agriculture in the period of transition. This is an important problem in the development of the rural environment. The relevance of 'who manages' is very sensitive to the changes in Eastern Europe. It is especially in Bulgaria in a close relation with the social consequences of the change. This question is of the major objective in the elite studies. An analysis of the empirical research could help us to answer these questions.

An important economic and social problem in the restructuring of agriculture in Bulgaria is the fact that about two third of the owners, despite their desire to get their lands back, do not plan on cultivating it themselves. As a consequence the contradiction between the desire to possess and the lack of motivation to deal with agriculture lead to significant transformations in Bulgaria.

The change of the property and inheritance rights results in a substantial transition of the power relations. In the first years of transformation, the interdependence between the political, economic and legal power were very strong.

The difficult process of creating economically powerful farmers and the persistence of the old way of thinking create a gap between the political elites' perception of the development of agriculture and the approach of the agrarian management leaders in the villages. As a consequence the

power in creating the new agrarian law is being turned into powerfulness of abilities to organize the land cultivation according to their understanding. This constant process of power interchange provokes many problems in production and personal conflicts. Nevertheless, it creates the basis for a transformation of agrarian life in correspondence with the new and the past experience legalizing a variety of choices which depend on the particular natural situations and human conditions.

The objective of this research is to study the changes in Bulgarian rural development with regard to the agrarian reform in the 1990's and the transformation of the perceptions and social statuses of the agrarian elite. The field work is carried out in four villages, situated in the region of Dobrudzha. For comparative reasons two mountain regions — those of Trojan and Sofia — have been chosen. Mainly wheat and maize are produced in the region of Dobrudzha, while the mountain regions dominate the production of fruit and livestock. The land in Dobrudzha was accumulated into plots of several thousand hectares, while in mountain regions previous ownership boundaries have been preserved. The reason for this differentiation was the necessity to organize the cultivation in Dobrudzha in a modern high-tech way. The mountain character of the lands in Trojan and Sofia has not allowed for such an accumulation of plots. These were predominantly fruit gardens and meadows.

The collectives in Dobrudzha were either created before World War Two like the coops in the villages of Paskalevo and Donchevo or in the second half of the 1940's like the ones in Ovcharevo and Karapelit. From the moment of their establishment till 1960 every village in Dobrudzha formed a collective. On average five villages formed one big collective. For comparison, in 1957 the collectives in the country numbered 3,302, while in 1960 their number had decreased to 932. On average each collective farmed from one to four thousand hectares. The unification was seen as a necessary condition for technology to be introduced in an efficient way. The collectives were economically independent units. The labour was organized in teams, regardless to whom the land belonged before the collectivization. This was a period when the young and better educated people left the villages. Despite that, the production results of agriculture did constantly increase because of enthusiasm and the applied advanced technology.

The beginning of the 1970's is an important period of change. Firstly, almost all labour functions in the collectives of Dobrudzha were mechanized. That consequently developed two processes — quality of education of the labour force and the release of unnecessary workers. As the result of these processes the social and economic structures of the villages in Dobrudzha began significantly to change. Some of the villagers quit dealing with agriculture as a main labour activity. State enterprises were established in the villages to produce meat, milk and eggs. The released workers from

the collectives were employed there. That marked the first step towards overlapping rural and urban structures in the villages.

Highly mechanized production with few employees pushed the decision for a new agrarian reform in Bulgaria at the beginning of the 1970's. All the studied collectives and many others became elements of a big organization named Agrarian Industrial Complex (AIC). The AIC in the studied region of Dobrudzha included 67 villages with 33,000 employees.

The previous collectives within the AIC had lost their economic and organizational independence. The unification allowed new advanced production methods to be experienced and applied. The weak sides of the AIC were organization of work and the labour force motivation. The production became cheap because only a small number of machines were used and their capacities were totally exploited. The labour force was very cheap. At the same time the successful units were not stimulated to produce more as their surplus income was given to other farms within the AIC, whose production results were very low. In the case of the AIC in Dobrudzha, up to 70 per cent of the profit was taken away by the state. During the AIC period the autonomy of the decision making process was very little. The president of AIC was in reality the representative of the state and the communist party rather than of the complex unit.

This kind of organization led to a concentration of resources and to a centralized decision making process. The result was a low level of work motivation among all AIC employees. Consequently, a deep crisis in agriculture followed in the second half of the 1980's. In 1988, the AIC was decentralized and the previous collectives as independent units reestablished.

With the start of the democratization process in Bulgaria in 1989, a 'new philosophy' for the development of agriculture was adopted. The collectives had undergone many changes during this period of transition. With the adoption of the Land Law in 1991, the collectives were registered as coops. The institutional change decentralized the collectives and organized in each village a coop. The studied collectives included before an average of five villages. At this period about 25 new coops were registered as independent units. All of them were based on the principle of land ownership. The coop in Ovcharevo was organized on the principles of ownership and labour employment in the coop.

The principles of the organization of work remained the same, but the agrarian management of the coops had the obligation to find out who possessed which part of land before the collectivization. Their instruments were the land register documents, application forms to enter the collectives in the 1950's and the memories of old people. It took the Land Commissions which were organized in each region three years to fulfill all these requirements.

With the change of Land Law in 1992, the coops were destroyed. The nine regional governors in the country appointed the members of the Liquidation Councils (LC). The criteria to be chosen as a member of the LC was loyalty towards the ruling political force and anti-communist perceptions. The main aim of the LC was to sell all the property of the collectives and to distribute the money between the land owners and the employees of the collective. The sales were a good guarantee that coops could not be organized on the basis of the existing common property of the collectives. The main objective was to ruin the previous structures of collective cultivation.

The change of law in 1992 was not only orientated towards abolishing the collectives, but also to liquidate some of the cadres in these organizations — the agrarian nomenclature. This thesis can be illustrated by the fact that the liquidation of the coops meant to restore the old socialist collectives but under the leadership of the members of the LC. A new process of reconcentration of land resources took place.

From a sociological and from an anthropological point of view, it is worth to study this reorganization. The political force which was in power at that time wanted to make the people forget the socialist way of agricultural organization and their perception of efficient collective cultivation. The realization of the Land Law from 1991 revealed that the collectives had only changed their names into coops. This is the reason why the law of 1992 which meant the liquidation of collectives and their management was approved.

What were the results of the introduction of the new law? There are two important consequences. The first concerns a deep change in the way of thinking of the fired agricultural elite. The second, this act has proved that the majority of them were rather managers than the agrarian nomenclature — at least in studied regions.

To be more concrete we will describe the background and the value system of the studied agrarian cadres. All of them are of peasant origin. Their fathers, like in the case of the fathers of the leaders of the collectives in Paskalevo and Ovcharevo, were the organizers of the collectives in the 1950's. The presidents of collectives have university educations in agriculture. They are around forty to fifty years old. First of all they have adequate agricultural educations, secondly they have had many years of experience in agriculture; this makes them able to organize the region's production in optimum way. At the same time they are at good age to pass through changes and to adapt themselves to them.

From the very first interviews with them we learned that they believed deeply, that the coop organization of labour is the most efficient and suitable for the region of Dobrudzha. To be precise: N.M., for example, said in an interview in December 1991 that it would be madness if people give up the coop organization; G.G. has defended his ideas in a very populist

way explaining that 99.99 per cent of the people in the region believe in the advantages of the coop. Another leader has put an emphasis rather on the socialist inheritance in the mentality of people who are ready to isolate everyone who wants start private cultivation of his lands.

As a whole, the opinions of these representative of the agrarian elite reflect general concerns about the private cultivation in the country rather than an opposition to the method itself. Their approach in analyzing the positive sides of the coop's organization was rather a technocratic than a political one. We spent hours listening their description of the way the production could be organized on small inherited plots and on the accumulated lands where concentration of resources and land, possibility of techno-ecological expertise, efficiency in using machines to cultivate enormous plots, irrigations, transport etc. could be applied.

One should of course not neglected the fact that these people have a personal interest in defending the coop's organization. It could give them the chance to remain in leadership positions. If the collectives are ruined, they could become jobless. An important characteristic of their way of thinking in 1991 has been their responsibility and their disposition to think over the problems of others. It was their duty in the socialist years. In the time of transition, whilst defending their personal interest, they have also been defending the interests of the landless employees of the collectives and of the small owners of land who live in the cities and who can not cultivate their land, but who are interested in receiving a rent from it.

The acceptance of the changes in the Land Law in 1992 has become the turning point for the alterations in the perceptions and the behaviour of these leaders. The law was not allowing them to have a position which would give them chance to prove their professional abilities and to defend their leadership position in the collectives. The acceptance of the change in the law has shown that the mechanism of taking strategic decisions continues to be taken from the level of the national institutions down to the lower ones. The agrarian managers, defending the collectives, have expected that the collectives would defend them, if needed.

The law released them from their duties as leaders. This act accelerated the changes in their value system and behaviour. Within several months from strong defenders of the coop organization, they became private entrepreneurs in agriculture.

Being quite often on trips because of their leadership position under socialism, they bought at collectives' auctions the machines they needed for cultivation. They were released in the spring of 1992 and in the autumn of the same year they were already leasing from 200 to 2,000 hectares of land from private owners in Dobrudzha. For them the transition became a period where they adapted themselves and got used to the new system. They choose the most efficient way to use their abilities. Firstly,

they bought the machines very cheaply and these machines were just good for a cultivation on big pieces of land. Secondly, although they still had not accumulated enough money to buy land they managed to lease land on fixed rents payable in money or goods. Thirdly, the studied leaders were experienced in production over several years. They had knowledge, experience and contact with markets.

The solution of leasing seems to be the most efficient way to produce nowadays in Dobrudzha. It is a transitional form from the collective's accumulation of land through leasing to private ownership of big farms.

The trend developing in the agrarian region of Dobrudzha is a contradiction to the articles of Land Law. The Land Law requires a return of the land within the old boundaries, which existed fifty years ago. Modern agrarian development does not demand any division of the accumulated land. The interest of the land owners and of the potential farmers match to cultivate efficiently.

The paradox in Bulgarian agrarian development since 1989 is that the aim to eliminate the agrarian nomenclature has accelerated. Nevertheless, this group forms the only potential farmers in the region.

The time of transition is marked by the struggle between the old and the new elite, between the national and local leaders. And this contradiction still continues. It was only in June 1994 that a new change in land law was proposed. It defines 300 hectares as the maximum amount of land that a farmer can lease. The agricultural development till now has shown that if the door for a realization of economic interests is closed, the capable and risk taking farmers use the window. The contradictions between the legal and the real practices is still under way. And our research continues.

FINAL REMARKS

The objective of the agrarian reform in Bulgaria was to actualize history. This attempt has collapsed in the real agrarian development. During the four years of transformation from centralization through decentralization to recentralization, the change is insignificant in comparison with the persistence. There is no substantial change in the position of power. The powerful from yesterday became the powerful of today.

The land owners possess their land on paper. Their ownership has not turned into capital yet, but it betters their economic position and it create a definite sense of certainty in the difficult years of transition. The results of the land reform can be summed up in the following way:

The Land Law has accelerated the process of creating small (and later big) owners of land.

The number of small land owners in Bulgaria has significantly increased. Some of these owners are cultivating their land for personal needs. Others live in the cities and have not any interest in agriculture, so they lease their land. That creates the conditions for the formation of a group of farmers who lease and cultivate significant amounts of land.

The incumbents of elite form a very dynamic group characterized by ups and downs in their position. After four years of transition, the old elite is back in power. That is mainly a result of their flexibility and their ability to get advantages from the changes. The elite reacts quicker than the majority of the people. There are many historical and cultural premises for the development of this process.

The transition reveals a significant change in the way of thinking of the people dealing with agriculture. This can be shortly characterized as a transformation from collectivism towards individualism. In that respect the historical actualization has succeeded. The collectivistic way of thinking is fading out as people's interests and values change. A process of overcoming the loyalty to the collective takes place predominantly among the members of the former agrarian management. They become individualists and probably in the near future the only farmers.

The land reform in Bulgaria led to diversification of the way of production, but as a whole, the old model is prevailing. There are two simultaneous processes taking place. The first one reveals the development of agriculture without peasants and the second one consists in the development of industry with employees informally involved in agricultural activity. The first process leads to the circumstance that Bulgaria has the historical chance to transfer the old collectives into modern private farms, which can be very profitable in areas where modern cultivation and high tech can continue to be applied. The second process shows that the majority of the population from the villages and the towns produce agricultural production for themselves and there is significant development of the rural kinship relations.

The fear of the changes overcame after four years of transformation. The new rules of the game are controlled by the old main players. The agricultural activity of the small owners is one of the ways of survival. Their behaviour is adaptive and characterized with much hesitation. The behaviour of the rural elite at a local level is active and full of initiative. For them the transition is a time to act and to make changes.

Consequently there will be a development of three main forms of agriculture in the country. Firstly, the cultivation on big farms which are now controlled and later probably possessed by the previous agrarian managers. Secondly, the development of coops as a transitional form of cultivation and probably a constant one in the form of various services for the small land owners. Thirdly, the development of agricultural work as an additional activity for industry workers in the enormously difficult years of transition.

To a high extent the functioning of the agrarian reform is due to the initiative of the previous agrarian management of the collectives. Being powerful in the past, in the uncertain years of transition they take the risk and become powerful again. The majority of the small owners perceive their land as a value for today's and future certainty rather than as a capital.

As a whole, the land reform in Bulgaria has been accepted at a macro-level, but has not been fully applied at the micro-level. That is a consequence of the circumstance that the Land Law is a result of different political preferences, while the agrarian reform is a result of the application of alternatives with regard to agricultural efficiency.