

Socio-economic and environmental parameters and results of rural development under the CAP: the case of Bulgaria

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The purpose of the report

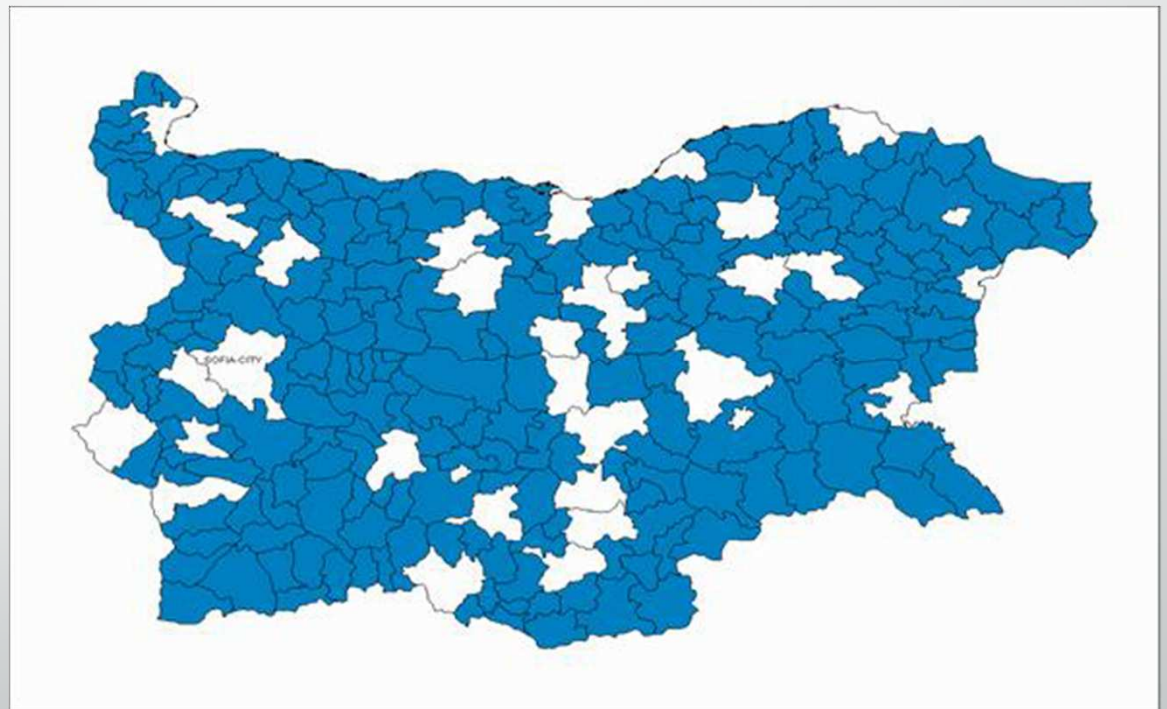
- is to assess the impact of the CAP on rural development after Bulgaria's accession to the EU. The implementation will analyze and evaluate the state and changes of the socio-economic, and environmental results, and parameters of the rural areas in the period 2007-2016.
- **The report's thesis** is that rural development is highly dependent on the type of farming, its organization and the prerequisites for diversification of the rural economy.

Bulgarian rural areas

- 88% of Bulgarian municipalities (LAU 1);

Rural areas include the municipalities in which the largest village has a population of 30 000 people);

- 81% of the territory;
- 39% of the population;
- 31.6 people per square kilometres population density and is twice lower than the national average.



Content of the report



Socio-economic results



Changes in environmental parameters

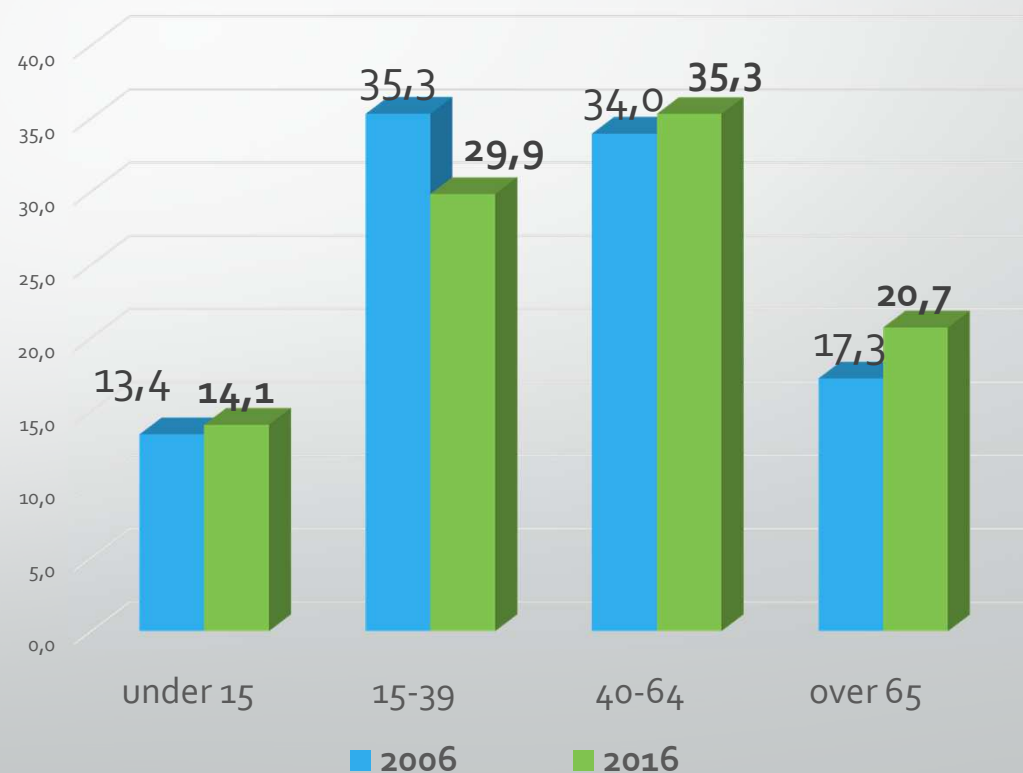


Impacts of the CAP on regions with different types of agriculture

Socio-economic results. Changes in population and age structure

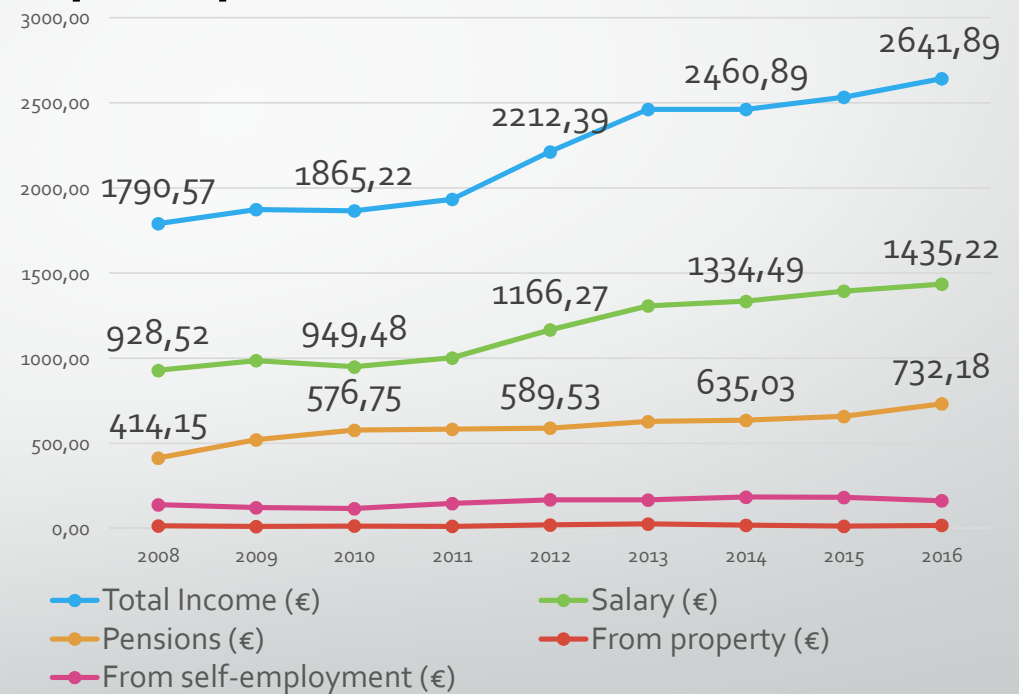
- The population numbers reduced by more than 8% and in some rural areas by more than 18%;
- The age structure of the population is deteriorating;
- Average life expectancy is among the lowest in the EU.

Age structure of the population (2006 and 2016)



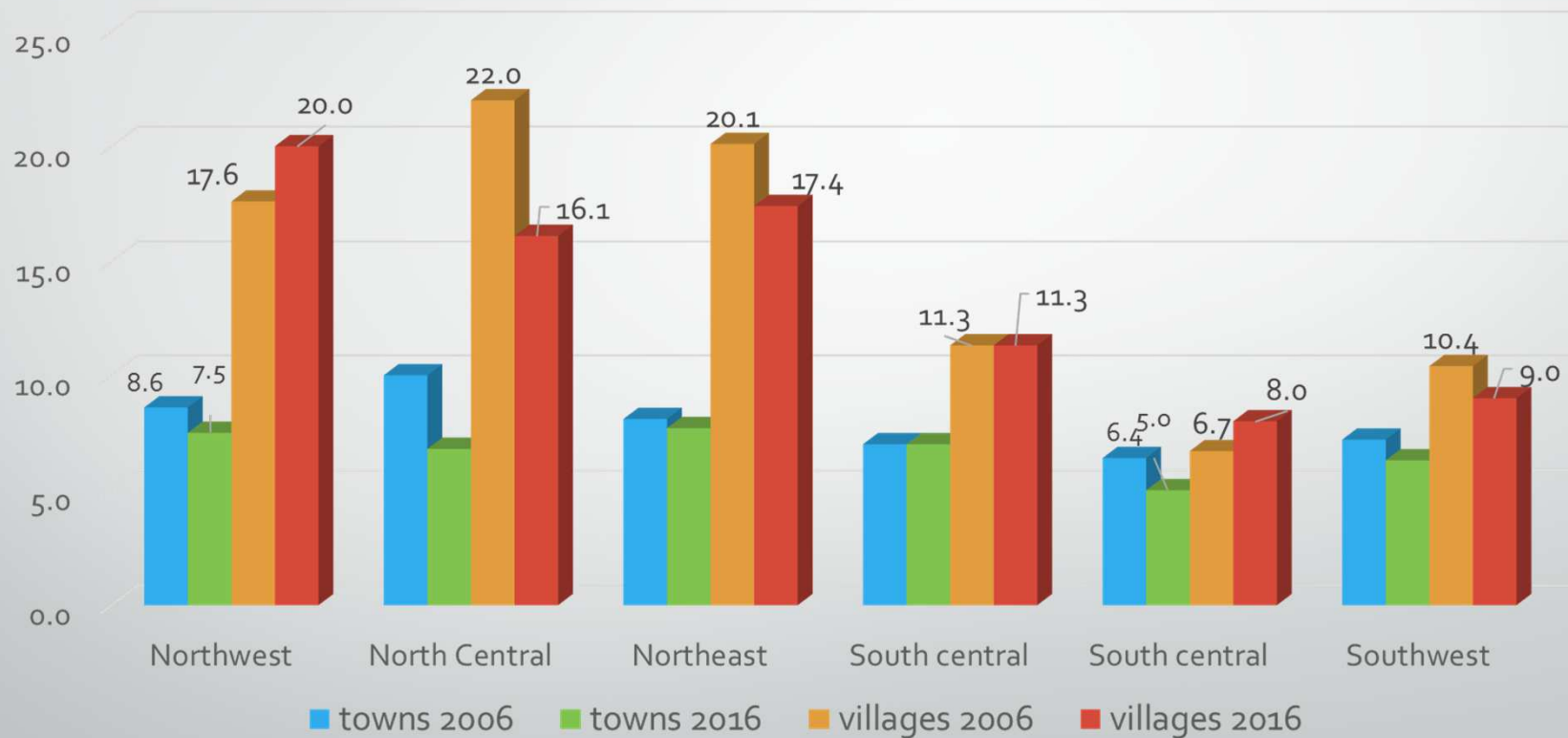
Changes in income per person (€ and %)

- Total income – increased by 47,5 %
- Salary – increased by 54,5 %
- Pensions – increased by 76,8 %
- Income from property
- Income from self-employment



Changes in unemployment rate

Unemployment in the towns and villages of Bulgaria (%)



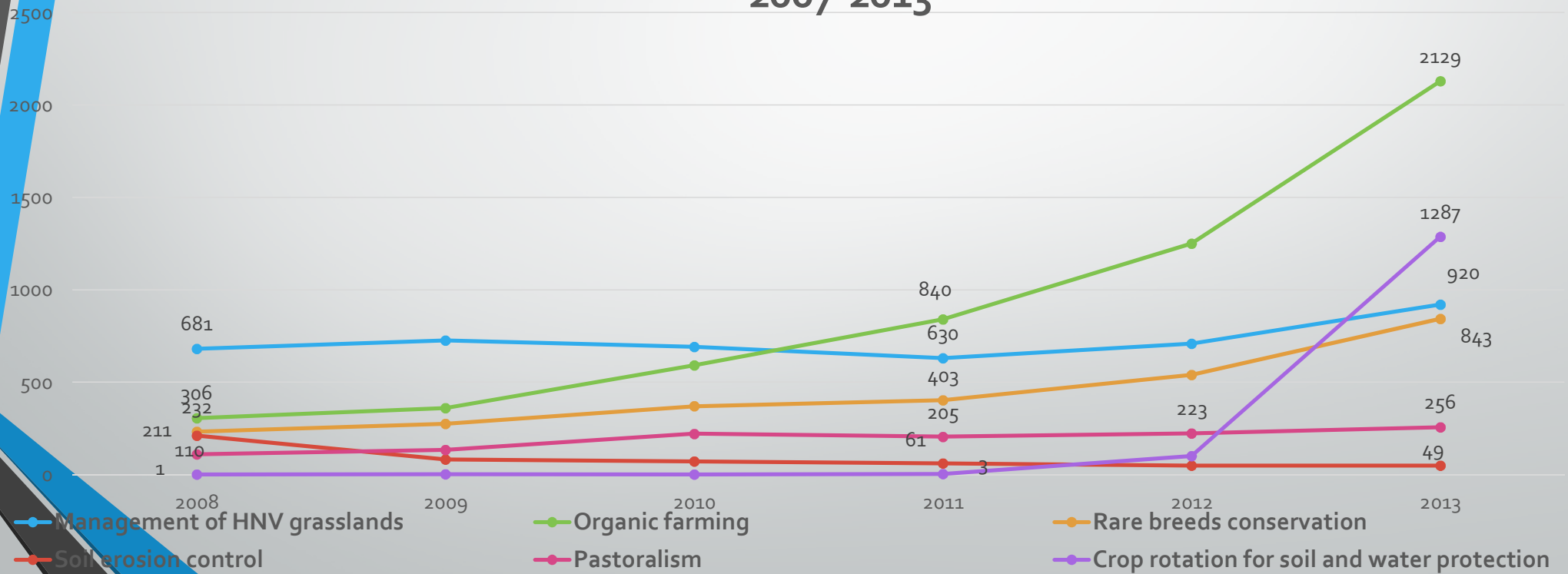
The RDP has provided support for

- the modernization of more than 4,552 farms with investments worth over EUR 1 billion and financial assistance worth over EUR 515 million;
- 7 696 semi-subsistence farms;
- 5678 young farmers;
- more than 7000 farms receive compensatory payments for environmentally-friendly and climate-friendly activities as well as organic production.



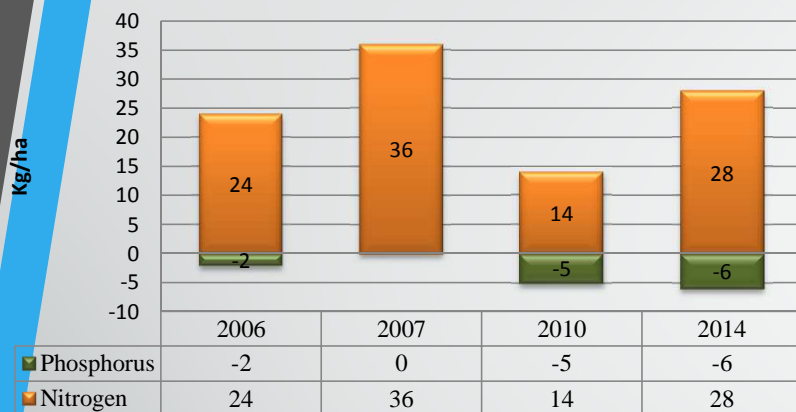
Changes in environmental parameters

Number of submitted applications for Agri-environmental measures
2007-2013

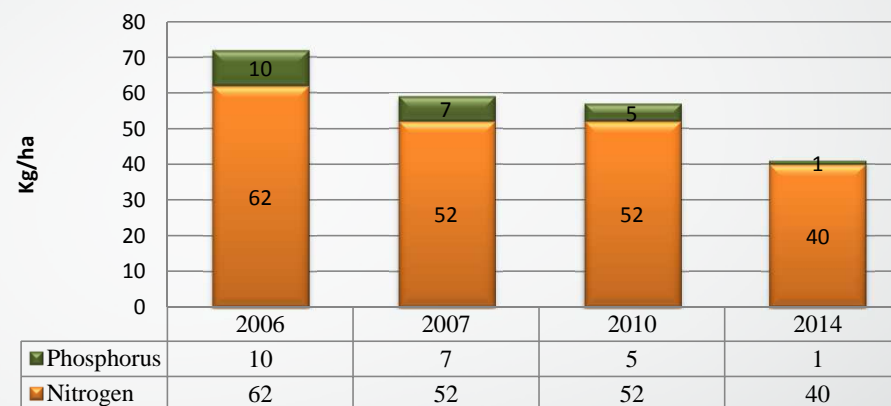


Agricultural land and organic farming

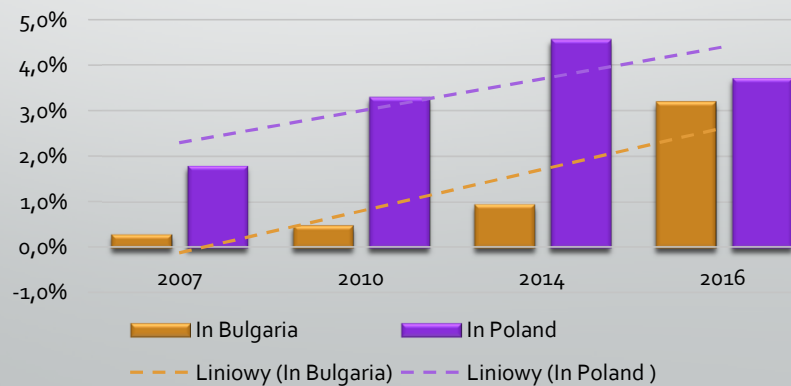
Gross nutrient balance on agricultural land in Bulgaria



Gross nutrient balance on agricultural land in Poland



Share of total utilized agricultural area under organic farming



Changes in rural infrastructure

- ✓ Renovated municipal roads in rural areas - 1955 km.
- ✓ Newly built municipal roads in rural areas - 57 km.
- ✓ Renovated streets in rural areas - 396 km.
- ✓ Newly built streets in rural areas - 23.6 km.
- ✓ Refurbished water supply systems in rural areas - 1731 km.
- ✓ Newly developed water supply systems in rural areas - 325 km.
- ✓ 98 projects for repair or construction of information centers in rural areas;
- ✓ 119 projects for repair and purchase of equipment for local cultural centers (chitalishte),
- ✓ 59 projects related to the construction of social service facilities,
- ✓ 314 projects for repair or reconstruction of sports facilities,
- ✓ 100 projects for construction or repair of children's playgrounds,
- ✓ 111 projects for green areas and parks,
- ✓ 123 lighting projects, etc



Impacts of the CAP on regions with different types of agriculture

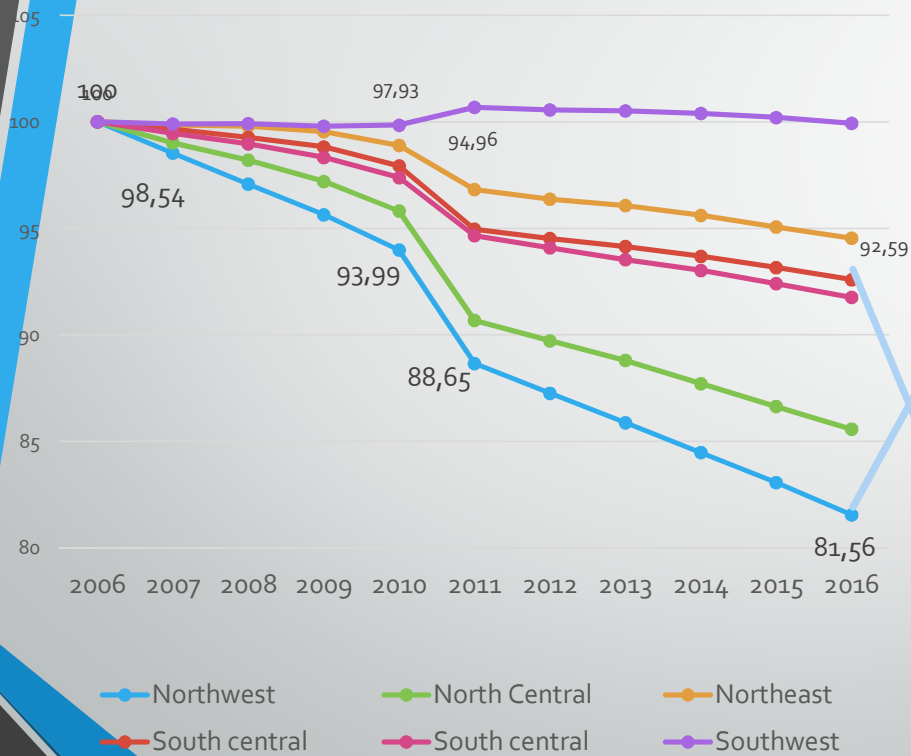
Nordic type of farming

- highly mechanized;
- large areas of used agricultural land;
- company;
- narrowly specialized in cereal and technical crops;

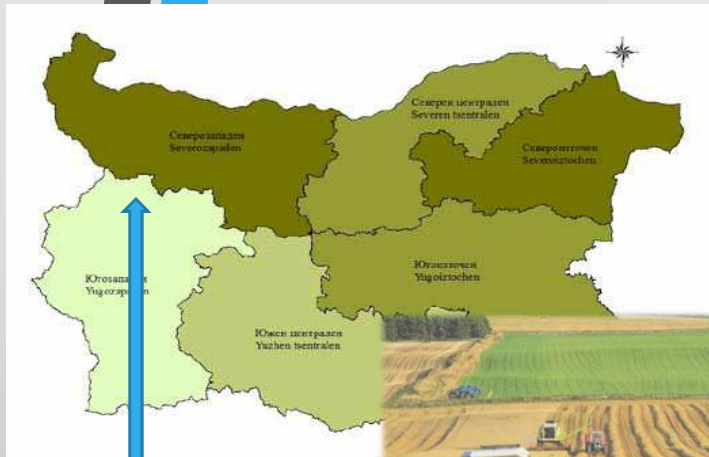
Southern type of farming

- various productions;
- smaller areas of used agricultural land;
- family farms;
- livestock husbandry, vegetable specialization, permanent crops.

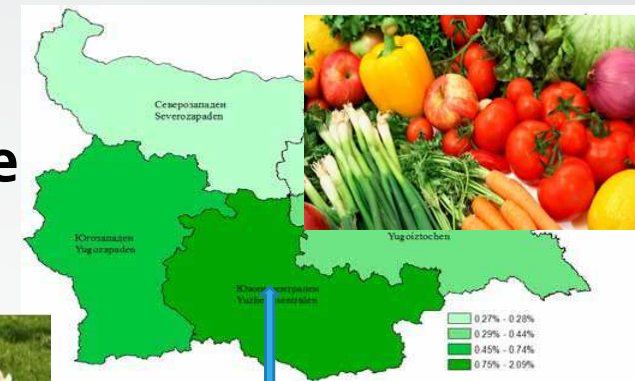
Trends in population change by planning regions



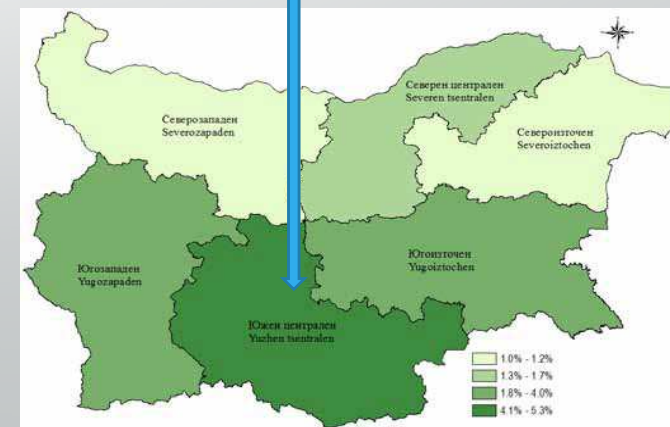
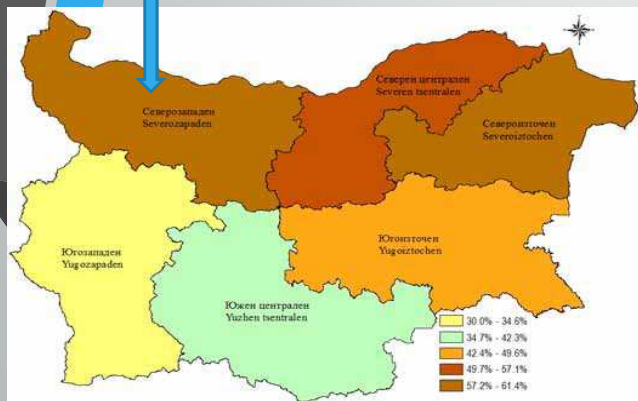
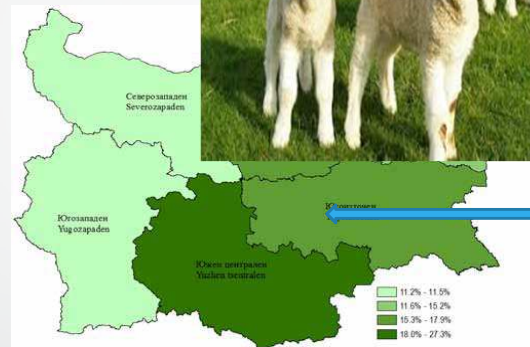
Specialization of agriculture by planning regions



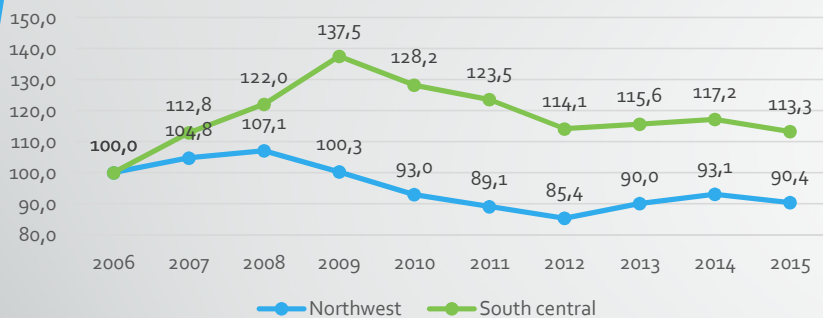
Cereals
Holdings
specialized in field crops



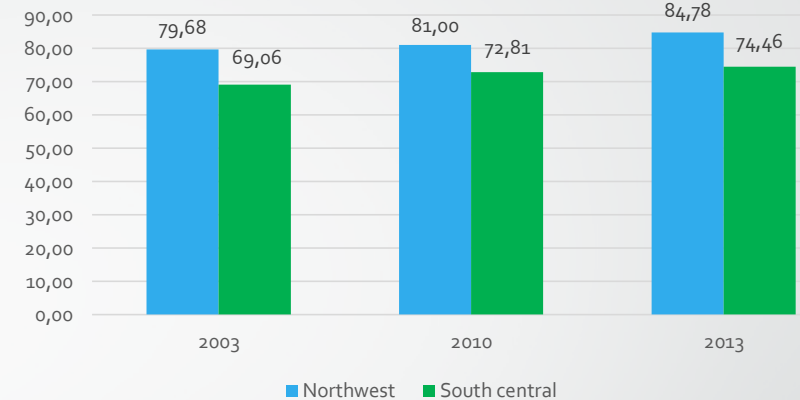
Fresh vegetables,
strawberries and flowers
Livestock units
Permanent crops



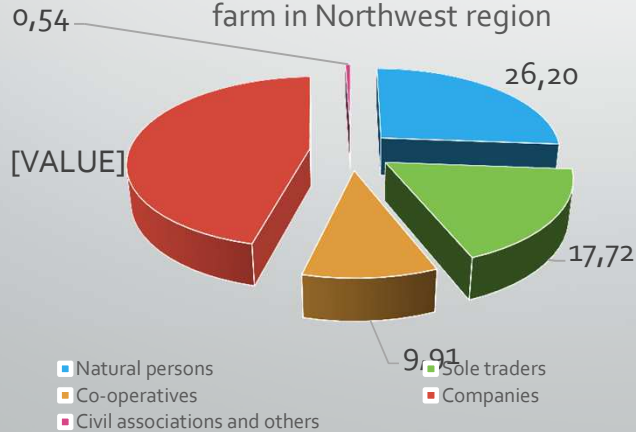
Dynamics of the number of employed in agriculture in the Northwest and South Central regions



The relative share of the rented land in the Northwest and South Central regions



Structure of used agricultural land by type of farm in Northwest region



Structure of used agricultural land by type of farm in South Central region



Difference between agricultural holdings in Northwest region and the Southern South region

Average size of UAL per:

- holding – 28,5 ha (NW) versus 6.47 ha (SC) – **4,4 times**;
- natural persons – 7,78 ha (NW) versus 3,28 ha (SC);
- co-operatives – 885,6 (NW) versus 394.1 ha (SC);
- companies 583.4 (NW) versus 179,5 ha (SC).

Share of family labour – 76 % (NW) versus 89,5 %(SC);

Holdings by the other gainful activities carried out in the holding – SC – 27 % of all in the country versus only 8,1 % in NW.

Main conclusions

In areas where the northern model of agriculture is developing :

- unemployment is rising,
- the population is aging
- migration processes are higher;
- the concentration of agricultural production is faster (74.3% of the farms have been destroyed for 10 years, while 61.6% are in the Southern Central Region) and the average size of farms is growing;
- high degree of specialization of production on farms;
- the relative share of the rented land increases;
- reduces the use of labour and the family labor in agriculture.

Higher business efficiency, but at the cost of low income and population decline.

Main conclusions

In areas where the Southern model of agriculture is developing:

- Unemployment in rural areas is lower;
- Employment in agriculture is increasing;
- Family farms dominate, a large part of which is semi-marketable;
- Farmers grow more and more diverse products that create higher added value;
- There is an increase in the number of farms that develop other activities that are the source of additional income;

A more diversified rural economy with higher entrepreneurship initiative, as well as higher added value, including the related with agriculture activities and tourism.

Policy recommendation

- Motivating local residents to use the "*Community-led local development*" approach in order to improve the market infrastructure for farmers in rural areas.
- Improvement and creation of new mechanisms to stimulate the development of family farms and so-called vulnerable sectors;
- Improving the distribution and use of direct payments;
- Stimulating the development of networks for the purpose of cooperation between farmers.

Thank you for your attention!

