

THE BULGARIAN ECONOMISTS ON THE COLLECTIVIZATION AND THE PLANNING IN THE AGRICULTURE DURING SOCIALISM (1945-1960)

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Abstract: *This paper aims to present the leading ideas and debates among the renown Bulgarian economists on the collectivization of land and planning in agriculture after the WWII and during socialism (1945-1960). This process was in relation to the development of the socialist integration and the great transformation of the Central and Eastern European economies following the USSR experience, but having national specifics.*

Keywords: *socialism, Comecon, Second World War, collectivization, planning, history of economic thought.*

JEL: *B24, F12, F15, P21, P30*

Introduction

Eighty years after the Bretton Woods Conference (1944) and the establishment of the post-war international monetary system, the fragmentation of the global economy and finance are relevant and topical. After the WWII the division of the world into two major and competing political, economic and ideological blocs (the socialist and the capitalist) had enormous impact and consequences for the international relations. The Central and Eastern European countries (CEE) became part of the Soviet bloc, where the socialist model of a centralized and planned economy was implemented.

This paper aims to present the leading ideas and debates among the renown Bulgarian economists on the collectivization of land and planning in agriculture during socialism (1945-1960). This process was related to the development of the socialist integration and

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the great transformation of the Central and Eastern European economies following the USSR experience, but also habing national specifics.

The first part of the paper is focused on the development of the Bulgarian agriculture after the Liberation from the Ottoman rule and during the capitalist period (1878-1944). The second part discusses the agrarian (land) reform after the WWII. The third part presents the debates on the collectivization of land and planning among the Bulgarian economists during the period 1945-1960.

1. Bulgarian agriculture during the capitalist period (1878-1944): extensive and underdeveloped

Within the Ottoman Empire (XIV-XIX centuries) 80% of the Bulgarian population was employed in agriculture. The development of commodity-monetary relations, the increase of the tax burden and of the pressure of the Ottoman authorities to collect more money brought the peasants to extreme poverty and hardship. In the accelerated decay of Turkish feudalism during XVIII – XIX centuries. various forms of cooperative work appeared, like *zadruga*, through which the Bulgarians ensured their reproduction and sustenance and existence within a closed natural economy².

After the Liberation from the Ottoman rule in 1878, Bulgaria continued to develop as an agrarian state with a small-scale agricultural tenure and production based on personal labour and a limited size of land. The major problem was the growing indebtedness and tax burden as well as the impoverishment among peasants which hindered the overall development of the sector and the country till the WWI.

During the Great Depression the agricultural prices fell on average by 2.2 times, while industrial prices fell by 1.3 times. There was a strong reduction in the purchasing power of the peasantry and higher poverty rates among the farmers. The high indebtedness and poverty persisted till the WWII³.

During the Interwar period there was a rapid and massive development of the agricultural (multiservice) cooperatives that spread all over the country. Those organisations functioned on voluntary participation, mutual help, solidarity and democratic governance. Those coopeartives played an important role in financing and modernising the agricultural farms and in increasing

² See Todorova (2010), Nenovsky, Marinova (2017)

³ See Nenovsky, Marinova (2022)

peasants' wellbeing. Nonetheless, the agriculture remained extensive and lagging behind the other European countries.

The WWII strongly influenced the development of the agriculture. The farmers' incomes decreased by 79% and the agrarian sector fell into a deep crisis. In 1946 small farms up to 50 decares represented over 67% of all 1,094,904 agricultural farms, and medium-sized holdings with land from 51 to 100 decares accounted for over 25% of the total number of farms.

One of the major characteristics of the agrarian sector in the CEE was the land fragmentation. After the WWII the share of small land ownership was the biggest in Bulgaria (67%), and the smallest in Germany (19.6%), followed by Poland (32%) and Czechoslovakia (29%). In Bulgaria the technical armament of labour was extremely bad and the agriculture was extensive and primitive regarding tools and equipment⁴.

2. The agrarian reform in Bulgaria and in the other socialist countries in the CEE after the WWII

In 1949 Bulgaria became a founding member of the Council for Mutual Economic Assistance (CMEA or Comecon). Comecon was established as the Soviet response to the US economic recovery plan (Marshall plan) for Eastern European countries. The main principles and institutions of the socialist bloc were:

- Full nationalization of the means of production, state monopoly of foreign trade, foreign exchange monopoly, collectivization of land, national planning, autarchy;
- International socialist development of labour, specialization and cooperation
- Industrialization and building harmonious industrial national structures;
- Prevalence of bilateral trade and clearing despite attempts for multilateralism, Comprehensive programme (1971);
- Creation of the International Bank for Economic Cooperation (IBEC) and the transferable ruble in 1964 as well as the establishment of the International Investment Bank (IIB) in 1971.

⁴ See Popov, Miloshevsky, Kostov (eds) (1972)

The Comecon membership brought to the front the problem of the non-equivalent exchange between the countries related to the transfer of surplus value from the agrarian countries to the industrial countries as well as the problem of pricing in the bloc⁵.

In Bulgaria, one of the major political discussions immediately after the WWII was about the amount of land owned, the remuneration for the expropriated land as well as the payment for the acquired land. The Bulgarian Communist Party considered it as a means to improve the lives of the majority of the rural population and to increase their economic interest and diligence in land cultivation. The Democratic Party spoke out most strongly against the reform as the peasants were attaching themselves to cooperative farms and compared them to the collective farms in the USSR. In 1946 the Labour Land Tenure Act was adopted which fixed a maximum amount of land owned by different categories of landowners – from 200 decares (20 hectares) to 300 decares (30 hectares).

According to the law, State Land Fund was created in order to provide land to low-income peasants by building viable working farms on the principle that “the land belongs to the person who cultivate it”. In the beginning, the State Land Fund paid for the expropriated land but after 1949 the payments were discontinued.

In 1947 the land reform was accelerated and State Agricultural Farms were set up under the Ministry of Agriculture. Nevertheless, the Bulgarian agriculture remained a small-scale, fragmented and low-productive. The reform had a limited effect due to the shortage of arable land, and did not cover all regions and settlements. There was a reduction in the size of the public farms and an almost entire abolition of large-scale private farms in the country⁶.

Table 1. Agrarian reforms in the socialist countries after WWII

Countries	Year	Limit of land ownership, decares	Church property excluded from expropriation	Compensation of the old owners	Payment by the new owners	Term of payment	Owners and maximum amount of land they can use
Albania	1945	400	Yes	No	-	-	

⁵ See Faudot, Nenovsky, Marinova (2022), Nenovsky, Marinova (2024)

⁶ See Zlatev (1993)

Bulgaria	1946	200-300	No	Yes	1935 land tax assessment X 5 times	20 years	endless and small farmers up to 50 acres and up to 80 decare in Southern Dobrudja
GDR	1945	1000	Yes	No	0-150 kg rye per 1 decare	10-20 years	
Poland	1944/1945	500-1000	Yes	no	One year income from land	10-20 years	
Romania	1945, 1949	500	Yes	No	100 kg wheat per 1 decare or 120 kg maize	10-20 years	
Hungary	1945	185-570 140-1710	Yes	Yes	annual harvest 600-700 kg per 5-7 decares	10-20 years	
Czechoslovakia	1945, 1947, 1948	2500-500	No	No	at prices set by the State	-	
Yugoslavia	1945, 1953	300-450 100-150	no	no	annual income per 1 decare	-	

Source: Popov, 1990

3. The debate on the collective farming in Bulgaria

3.1 Before the WWII

After the WWI the first collective farms were established based on the experience of the kolkhoz in the USSR. In the beginning they functioned as part of the existing agricultural cooperatives and later on several independent collective farms were created. Nevertheless, there was a big opposition to their establishment by some of the leading economists such as Yanaki Mollov and Naum Dolinsky who considered that they undermined the principle of private ownership of the means of production. In 1938 Stoyan Nikiforov, Minister of Trade, Industry and Labour

wrote: *"in these kolkhozes the land becomes alien in the subconscious of the land owner. He no longer has the sense of lord, of master of the land, which makes him proud"*.

The first cooperative farms were established by communists or by adherents to the Communist party. These organisations were praised by Stoyan Syulemezov⁷:

"The establishment of cooperative farms as independent organizations or as departments of multi service cooperatives was the peak in the development of the Bulgarian cooperative movement before the socialist revolution. The highest type of a cooperative was achieved, through which the working peasantry recognized the power of common cooperative work, of organized joint labour in the struggle to improve their economic situation."

"So far as we know, there has been no successful attempt elsewhere in the world to organize cooperative farms under private land ownership on the scale and with the results that have been achieved in this country" (Syulemezov, 1975, p. 29-30).

In 1939, a special delegation of Bulgarian agronomists visited the USSR to study the organisation and functioning of the Soviet kolkhozs in order to transfer and adopt their experience and practices.

3.2 Stages of the collectivization

The collectivization of land and the great transformation of the agriculture were among the first political priorities of the Bulgarian Communist Party which came to power after the WWII. The first stage of the collectivization started on 9th September 1944 and lasted till the end of 1947. It was characterized by the emergence and establishment of the Labour cooperative agricultural farms (LCAFs) as the leading form of production cooperative of farmers.

The major principles of the LCAFs were:

- Bringing into the farm all means of production owned by the cooperator and its family members;
- Bringing in all the land owned by the cooperator for collective use;
- Participation of all cooperators in the costs of furnishing the LCAF with means of production, initial and mandatory inventory contribution and the implementation of a differentiated approach in its determination;

⁷ Stoyan Syulemezov (1910-1980) founded the first collective farm in Vesselinovo, Yambol, Bulgaria. Later, he was Deputy Minister of Agriculture in the period 1949-1951 as well as Deputy Chairman of the State Planning Committee from 1956 to 1967. As deputy minister he played a key role in the collectivization of land.

- Leaving part of the land, inventory and livestock to farmers' personal subsidiary farm.

The second stage started in the end of 1947 and lasted till the end of 1949. In 1947 the Communist Party executed the nationalization of industry, banks and agricultural equipment. The first Biennial State Economic Plan was adopted by the Party which stipulated the transition to and accelerated and massive collectivization. The main share of the working farmers became members of the collective farms.

The third stage took part in the period 1950-1956 when the organizational, economic and political strengthening of the LCAFs was completed. The communist party prepared the country for full collectivization.

During the fourth stage which covered the period 1956 - 1958 the collectivization of land was fully completed. The tables below show the collectivization process in Bulgaria and in the other socialist countries from CEE. By 1959 98% of the land was collectivized making Bulgaria the second (after the USSR) country in the socialist bloc with the biggest state sector in the agriculture⁸.

Table 2. Collectivization in Bulgaria

Years	Number of Labour cooperative agricultural farms	Collectivized farms	Thousand decares	percentage of land to be collectivized
1944	110	7	265	0,6
1945	382	34	1466	3,1
1946	480	41	1726	3,7
1947	579	46	1902	3,8
1948	1100	124	2924	7,2
1949	1501	156	5543	13,6
1950	2501	502	21 563	51,1
1951	2739	582	25 704	56,4
1952	2747	553	25 125	60,5

⁸ See Popov, Miloshevsky, Kostov (eds) (1972), Kunin (1977)

1953	2744	569	25 562	61,1
1954	2723	569	25 472	61,3
1955	2735	591	25 622	62,5
1956	3100	911	34 614	77,4
1957	3202	1017	36 765	86,5
1958	3290	1244	41 576	93,2
1959	972	1290	44 894	98,0

Source: Popov, Miloshevsky, Kostov (eds), 1972

Table 3. Collectivization in the socialist countries

countries	Year of the establishment of socialism	Beginning of collectivization	Share of the socialist sector in 1950		Share of the socialist sector in 1960		Share of the socialist sector in 1970		Share of the socialist sector in 1980	
			Total	including cooperative	Total	including cooperative	Total	including cooperative	Total	including cooperative
USSR	1917	1917	99,9	-	96,6	56,4	95,5	37,5	95,2	30,9
Bulgaria	1944	1944	12,0	10,2	15,5	79,9	13,3	68,0	13,3	-
Czechoslovakia	1945	1948	22,1	-	14,4	62,1	11,1	55,7	10,0	62,5
GDR	1945	1946	5,7	3,0	10,0	72,8	13,3	78,2	13,3	82,5
Poland	1945	-	10,4	-	1,7	1,1	1,2	1,2	1,1	3,6
Hungary	1945	1949	11,0	2,9	10,0	48,6	12,2	9,5	17,7	71,8

Romania	1944	1949	23,6	-	,6	50,2	,2	54,1	,4	54,7
Albania	1945	1946	5,6	-	,0	-		-	,6	-
Yugoslavia	1944	1945	-	-	,1	-	,1	-	,0	15,3

Source: Popov, 1990

3.3 Planning in agriculture

The state planning in the agriculture started by the elaboration and launch of the most important legal documents. The Communist Party adopted a new Constitution in 1947 which stated that: *"Labour-cooperative agricultural farms are encouraged and supported by the state and enjoy its special protection"*.

The development and expansion of the state sector and the production cooperatives were included in the First Biennial State Economic Plan in the period 1947-1948. The material and technical base of the national economy was supposed to be developed as well as the mechanisation of the most labour-intensive production industrial processes.

In 1948 the Prime Minister of Bulgaria Georgi Dimitrov⁹ said: *"The growing needs of the industry, the urban population and the army cannot be successfully met by individual, small-stock and low-productivity agriculture. This raises the issue of the socialist reconstruction of agriculture at the same time as the socialist reconstruction and development of the industry"* (Dimitrov, 1948). The Communist Party decided that the reconstruction of agriculture went together with the industrialization¹⁰.

Unlike to USSR and other CEE countries, the reconstruction of the Bulgarian agriculture was executed without nationalisation. At the Fifth Congress of the Communist Party Georgi Dimitrov explained the approach that was implemented:

"By the gradual incorporation of the peasants and middle farmers into the labour-producing farms, by the development of the machine-tractor stations, and by the prohibition of the lease of the land, the restriction and eventually the prohibition of the purchase and sale of the land, the reduction and eventually the abolition of the

⁹ Georgi Dimitrov (1882-1949) was the Prime Minister of Bulgaria in the period 1946-1949. He became also the first general secretary of the Central Committee of the Bulgarian Communist Party during 1948-1949. Dimitrov was General Secretary of the Comintern in the period 1935-1943.

¹⁰ See Marcheva (2016)

rent by the decision of the co-operating peasants themselves, when conditions allow it, the question of the nationalisation of the land will be practically settled by leaving all the land in perpetual use by the farmers“ (Dimitrov, 1948, cited by Popov, Miloshevsky, Kostov (eds.), 1972)

Furthermore, in 1949, at the Fifth Congress of the Communist Party, the Five-year state economic plan was adopted with the following goal: *“The main economic task of the five-year plan is to lay the foundations of socialism along the path of industrialization and electrification of the country, cooperation and mechanization of agriculture”*.

The reconstruction of the agriculture was very topical among the leading economists such as Nikola Popov, Angel Miloshevsky and Ivan Kostov. A number of important value categories, such as cost, profit, price, differential rent were underestimated. The cost of production was not calculated, which gave the opportunity for wide arbitrariness and subjectivity in determining the prices of agricultural products in the national economy.

The final stage of the reconstruction started after the April Plenum of 1956. It took important decisions on the role and place of commodity-money relations, prices, differential rent, material interest, cost of agricultural products, basic funds and depreciation, net income and profitability. After that the Bulgarian economists and policymakers began to calculate and use the cost of production as an indicator to determine the level of profitability and the economic profit in the agriculture. By 1958 the task of completing the socialist restructuring of agriculture had been successfully accomplished.

According to Petko Kunin¹¹, one of the leading agrarian economists and party member, under socialism the planning in agriculture should be combined with a certain degree of initiative of the LCAFs to adopt decisions:

“What economic profit of a socialist type can exist in the LCAFs, when they themselves cannot decide, in their own opinion and in their own interest, the ways and forms of using their objective factors of production: land, machines, animals, permanent crops, water, their supply and placement of their production....

¹¹ Petko Kunin (1900-1978) was a propagated the Soviet collective farm system and collectivization. In the period 1944 - 1946, he headed the newly created “Economic” (“Stopanski”) department at the Central Committee of the Bulgarian Communist Party as well as he was appointed secretary of the Central Committee of the Party (1946 – 1947). Kunin was Minister of Industry and Crafts (1947 – 1949) and Minister of Finance (1949).

The conditions of the socialist system and the objective economic laws of socialism require a combination of planned development with the planning and initiative of individual enterprises” (Kunin, 1967)

Kunin criticised the planning:

“The administrative methods and ways of imposing, the effect of the centralized norms of the state sector in the economic life of the LCAFs remove the economic conditions for the operation of the socialist principle of economic profit and self-support as a form of development of the productive forces and are a way to overcome the contradiction between personal and collective interest” (Kunin, 1967)

The nature and the use of the rent were among the major issues discussed by the economists as well as in the major documents adopted by Communist Party:

“The main feature and the main difference of our LCAFs from the kolkhozs is that in our country the land is not nationalized, that private ownership of the land is preserved, which is expressed in the rent received” (BCP, Report VII Congress)

The LCAFs mostly paid the rent in the form of a percentage of the distributed income among the members of the collective farm. One of the major opponents to that rule was Titko Chernokolev¹² who was the Minister of Agriculture during 1949-1951. According to him:

“It should be adopted that the payment of the rent should not be made as a percentage of the distributed income, but that the value of a certain number of working days should be given as a rent.

The attempts to destroy the rent, but also raising the question of its abolition, impose a barrier, an obstacle to the development of LCAFs. Those who raise this question are fantasists and they are causing a big harm to LCAFs and the socialist reconstruction of our countryside. They are leftists that we need to expose.” (Chernokolev, 1949)

The Communist Party considered that the rent represented a labour income and its size and relative share gradually decreased until its complete abolition in 1958/1959.

¹² Titko Chernokolev (1910-1965) was a member of the Politburo of the Central Committee of the Bulgarian Communist Party (1949-1951) and played a leading role in the implementation of collectivization. He was Deputy Minister from 1948 to 1949. and Minister of Agriculture in the period 1949-1951. Chernokolev was directly responsible for the of collectivization - initially as the head of the Rural Department in the Central Committee of the Communist Party and from December 1947 also as the Deputy Minister of Agriculture, responsible for collectivization.

The other most debated issue became the state administered agricultural prices as well as pricing of agricultural products in the Comecon. The pricing problem was that there were volatile prices on international capitalist markets and stable prices under socialism. There were price scissors of agricultural goods, raw materials and manufactured goods. Moreover, the price ratios on the capitalist markets did not match socially necessary labour cost ratios of different production categories produced by the Comecon countries¹³. The socialist integration was based on non-equivalent exchange between countries, transfer of surplus value from agrarian countries to industrial countries. There were opposing views at the Comecon sessions (1949, 1957, 1966) between the more developed, industrialized countries and the less industrialized and agrarian countries. The Bulgarian state leaders like Vasil Kolarov¹⁴, Todor Zhivkov were in favour of the establishment of a regional price system. In Comecon, pricing in the trade sector was based on the setting of contract prices fixed in trade agreements. Since 1958 the Bucharest formula was applied – prices on the international capitalist markets averaged and smoothed on quinquennial basis. Since 1964 the prices were expressed in transferable ruble (TR). The debate on pricing intensified in the 1960s and continued in the 1970s by the famous economists like Evgeni Kamenov, Jacques Arroyo, Tsvetko Golubarev and others.

The reconstruction of the Bulgarian economy during the first two decades under socialism resulted in an accelerated industrialization of the state. The industry created 14.5% of the national income reaching 48.5% in 1965. Unlike the industry, the share of agriculture decreased two times from 71.6% in 1944 to 27.5% in 1965.

Table 4 Sectoral structure of the national income of the People's Republic of Bulgaria, %

Year	Industry	Construction	Agriculture	Forestry	Transport	Communications	Trade	Other
1939	15,0	3,0	65,0	0,0	2,0		12,0	3,0
1944	14,5		71,6		2,9		11,0	-
1948	23,3	4,1	57,8	0,5	1,8		8,0	4,5
1950	33,0	6,0	45,0	0,0	3,0		8,0	5,0

¹³ See Faudot, Nenovsky, Marinova (2022)

¹⁴ Vasil Kolarov (1877-1950) became provisional president of Bulgaria in 1946. He remained president until the formation of the government headed by Georgi Dimitrov in December 1947, which he entered as Deputy Prime Minister and Minister of Foreign Affairs. In July 1949 Kolarov became prime minister until his own death on 23rd January 1950.

1955	32,0	7,0	35,0	1,0	3,0	0,0	19,0	3,0
1960	47,4	7,4	26,6	0,7	4,1	0,1	11,4	2,3
1961	49,0	8,0	24,0	1,0	4,0	0,0	12,0	2,0
1962	48,9	7,6	23,5	0,6	4,4	0,2	12,5	2,3
1963	47,0	7,0	30,0	1,0	4,0	0,0	9,0	2,0
1964	47,0	8,0	30,0	1,0	4,0	0,0	8,0	2,0
1965	48,7	7,7	27,5	1,0	4,3	0,3	8,4	2,1

Source: Shapkarev, 1982

In 1971 the Communist Party acknowledged that:

"The most complex and difficult task of the transition period from capitalism to socialism was the reconstruction of agriculture. The task of reconstruction was difficult because, unlike in industry, in agriculture capitalism had failed to create the high material base necessary for the emergence and development of socialist forms of economy. Not only are the working peasants insufficiently organized, but their political consciousness, culture and revolutionary readiness are at a lower level.

Private property traditions kept the peasants attached to the old forms of economy for a long time. Overcoming private-property traditions and involving the peasants in the path of collective socialist economy is obviously a process that requires more time and persistent struggle" (Communist Party Programme, 1971, cited by Popov, Miloshevsky, Kostov (eds.), 1972)

Conclusion

The Socialist reconstruction of agriculture has been controversial from theoretical, political and economic view. During socialism, the leading agrarian economists debated on the collectivization process, economic profitability, the rent, the pricing, etc. taking into account the Soviet experience and guidance. Moreover, they tried to reflect the national peculiarities and to develop the sector in the context of the ultimate goal – full industrialization of the country.

After the collapse of the socialist regime there have been polar views and opposing arguments in interpreting the ideas, the processes and the results of that deep and entire transformation of the sector and the national economy as a whole. The collectivization of land, the abolishment of the private property and the establishment of the state sector in agriculture have become the major symbols of the communist regime that changed the life and affected the wellbeing of the whole population. In this regard the Socialist experience should be further studied in a transparent and impartial way in order to reconsider the past and to emerge new ideas and paths for economic development.

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