

QUALITATIVE EVALUATION OF THE AGRICULTURAL ENTERPRISES' MANAGERS IN BULGARIA

The paper discusses the state of the development of the labor resources in the agriculture of Bulgaria. Main tendencies are drawn for it, outlining that the changes after 1989 provoke substantial changes in their quantitative and qualitative dimensions. The focus is on the qualitative characteristics of the agricultural enterprises' managers – of private and corporate type. On one hand, the sustainable decrease of the absolute number of the employed in the branch, the worse age reproduction structure of the agricultural population, the unfavorable educational structure and the unfavorable business environment for development of the agricultural activity influence adversely. On the other hand, the registered positive results in the economies with size over 100 decares used agricultural land give reason to draw the optimal conclusion that the large enterprises, producing for the market, possessing agricultural equipments and employed agricultural workers, are managed by considerably young managers with suitable agricultural education.

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The state of the labor resources in the agriculture in Bulgaria is determined by their quantitative and qualitative parameters and it changes under the influence of two groups of factors – internal and external. The first group is the internal factors, which are the character of the agricultural production and the motives for labor put in. The second group includes the external factors, connected with processes and phenomena running outside the agricultural enterprise (employment in branches and activities different from the agriculture; labor conditions; public value of the agricultural labor; prestige and awarding of the agricultural labor).

The changes in Bulgaria after 1989 influenced the state of the labor resources in this so significant for the national economy branch and led to changes in their quantitative and qualitative parameters.

The main thing concerning the qualitative changes of the labor resources in the agriculture is the sustainable decrease of the absolute number of the employed in the branch. Only for the period 2000-2003 they are reduced from 781 thousand to 758 thousand employed. This is a natural process, running under the influence of the mechanization and industrialization of the agricultural labor.² But on the other hand, also known are the consequences from the shortage of labor force in the branch – worse quality of execution of the agricultural works, delaying the term of

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² Vulchev, N, P. Angelova. Agrarian Economy. Gorex Press, Sofia, 2005, pp. 92-93.

their execution, decreasing the average productions of agricultural cultures and the productivity of the agricultural animals, amortization of a significant part of the production and raising the prices of the remained part of it.

The share of the employed in the agrarian sector in all employed in the national economy in 2003 is 25.4% and in 2004 – 24.9% - much higher than in the EU countries.³ Such high share of the employed with low share of GVA of the agrarian sector in the GVA of the national economy determines low labor productivity in it. In 2003 it reaches only 2616 USD GVA per employed and in 2004 – 2825.⁴ But if we take into consideration data from labor force observations carried out by NSI, the picture can be different. By the used methodology for observation of the households an employed only in agriculture is considered a person who works in enterprises with mostly commodity character. Then in 2001 the employed people are 235 thousand, in 2003 – 264.5 thousand and in 2004 – 256.6 thousand. Their share in the total employed in the national economy is respectively 7.9, 8.3 and 7.9%. These are values close or equal to those of some of the smaller EU countries, which have the similar agriculture to the Bulgarian one.

Alarming is the fact that for example in 2003 95.5% of the labor people in the branch are from enterprises of physical entities, not registered by any law and only 4.5% are from enterprises of juridical entities (sole proprietor, trade companies – agrofirms, cooperations, etc.). Even more alarming is the fact that 71.7% of the labor people in 2003 are from enterprises with size under 10 decares, i.e. in court non-commodity enterprises.⁵ Almost half of the labor people (47%) have used 1 to 50% of the work time, equalized to full annual employment.⁶ These facts give answer to the question what is one of the main reasons for the low labor productivity.

The rates of decrease of the labor force employment in the agriculture depend mostly on the following factors:

- degree of replacement of the labor force in the branch by the introduced achievements of the science and technology progress;
- influence of the season character of the production and labor, which leads to lower annual employment and lower annual payment;
- more favorable labor, production and social and public conditions, which the branches and activities outside the agriculture offer.⁷

The qualitative characteristics of the labor resources in the Bulgarian agriculture is determined by the structure by age, gender and education.

The age structure is a significant indicator, since it characterizes the quality of the labor force in the branch and the reproduction abilities of the agricultural population. The age of the employed determines the efficiency, physical skills and their mental abilities.

For the period 1997-2004 the following changes occur in the age structure of the employed in the Bulgarian agriculture:

³ Data from Statistical Reference Book. NSI, Sofia, 2005, p. 54.

⁴ Ibid, pp. 54, 202.

⁵ According to data from Census of the agricultural enterprises in Bulgaria in 2003, Agrostistics, Ministry of Agriculture and Forests.

⁶ Ibid.

⁷ Vulchev, N. P. Angelova. Agrarian Economy. Gorex Press, Sofia, 2005, p. 93.

- the share of the employed aged between 15 and 34 decreases (with 11.2 points);
- the share of the employed aged over 55 increases (with 17.5 points);
- the group of employed aged between 35 and 54 maintains highest share, with certain decrease (with 3.5 points).

The main reasons for this state are a few. First, a demographic one. It is the worsened reproduction of the population, which forms the labor potential and labor force, including for the agriculture. Second, it is the unfavorable structural, economic, social and political environment for entrepreneurship in the agricultural production, because of which there are no stimuli for establishing and exploitation commodity agricultural enterprises, or if there are – they are extremely weak.

The tendency of aging of the employed in the agriculture leads to unfavorable consequences. On one hand, the reduction of the group of aged up to 34 today will influence the reproduction of the population in the future and will decrease the inflow of people who produce agricultural production. From the point of view of insuring the population with the necessary food products, the ratio between those who produce and those who consume them will be changed in favor of the latter. This is a fact with unforeseeable consequences for the national food insurance. On the other hand, the opportunities of the aging labor force to participate in the establishment of competitive agricultural enterprises are strongly limited.

The gender structure of the employed in the Bulgarian agriculture differs with sustainable tendency of decrease of the share of the women. This tendency is considered a positive phenomenon. The forecasts for the technics and modern technologies entering the Bulgarian agriculture show that this tendency will remain and even accelerate. There is worsening of the age structure of the women employed in agriculture. In 2000/2001 up to 34 are only 10.7% of the women employed in the branch, and over 55 – 53.1%.

The structure of the employed in the agriculture by education adds to their qualitative characteristics. In 2004 the distribution of the employed by their education is as follows: with higher education – 4.8%, with high education – 36.4% and with secondary or lower – 58.8%.⁸ The reasons for the state of the educational level of the employed in the agriculture with developed in this direction educational system are mainly three. First, the high share of the old people in the structure of the employed, who are generally with lower education. Second, the unfavorable environment for establishment and exploitation of agricultural enterprises, which contradicts with the interests of the young generation. Third, the broken family tradition and the died out economic need of inheriting and continuing the agricultural activity in the villages due to the collectivization of the production and the urbanization of life.

In order for Bulgaria to have enough labor resources for development of the agriculture in perspective the attention should be directed towards changes in the life environment in the villages and village regions and changes in the environment for agrarian entrepreneurship, which will lead to positive change in the intentions for orientation of the young people towards investment and labor in the agrobusiness.

⁸ According to data from Main results from the observation of the labor force – NSI.

The worsened age and reproduction structure of the agricultural population, the unfavorable educational structure and the unfavorable business environment for development of the agricultural activity influence also the qualitative characteristics of the managers of the agricultural enterprises – of private and corporate type. The data of the agrostatistics show that to the beginning of 2001 only 12% of the managers of the enterprises of physical entities and only 9% of the managers of the agricultural cooperations have been under 40 years old. For the enterprises of juridical entities (enterprises of sole proprietors, limited liabilities, shareholding companies, etc.) this share is higher – 16%. The same is the situation in the next age group – from 40 to 60 years old. In the enterprises of juridical entities 63% of the managers fall into this age group, while in the enterprises of physical entities they are 41%, in the cooperations they are 62%. The total picture shows that the dominating part of the managers of the agricultural enterprises of corporate type – respectively 63 and 62% fall into this age group. The old managers – over 60 years old – are typical for the enterprises of physical entities – 47% and for the enterprises of cooperations – 29%.

The education and professional qualification of the managers of the agricultural enterprises is not enough high. The data of the agrostatistics show that only 12% of the managers of the enterprises of physical entities have agricultural education. Again this share in the economies of corporate type is higher – in the enterprises of agricultural cooperations – 71% and in all other juridical entities – 65%. There are no substantial differences in the share of the managers with agricultural education by type of enterprises, with one exception – in the enterprises of physical entities the managers of the enterprises with plant-growing specialization this share is a little higher than average for these enterprises and reaches 22%.

The data from the carried out census of the agricultural enterprises in 2003 again confirm this state – almost 67% of the managers of the agricultural enterprises are of over 55 years of age, and the women managers are 18%. More significant is the share of the women managers in the age group of up to 25 and over 55 – about 25%.

The average age of the managers of the agricultural enterprises by the size of the used agricultural land shows that in the enterprises of physical entities, who cultivate average 14 decares, 16% of the managers are of age over 55 years. Far better is the picture in the enterprises with size over 100 decares of used agricultural land. There 62% of the managers are under 55 years old. These enterprises are only 1% of the total number of the enterprises, which participated in the census in 2003, but they cultivate 83% of the used agricultural land. This circumstance allows to draw the optimal conclusion that the large enterprises, producing for the market and possessing agricultural technics and employed agricultural workers, are managed by relatively young managers with suitable agricultural education.