

## CURRENT RESEARCH OF THE LABOUR POTENTIAL IN AGRICULTURE

The new monograph of Professor Lyudmil Petkov Ph.D. was presented to agriculture experts in Bulgaria.

The author has based his work on the *noble and necessary aspiration* to ensure effective and beneficial membership of Bulgaria in the European Union. He however does not follow the almost obligatory declarative attitude of most authors on the importance of EU membership. Major theme is the national interest, the businesslike approach – what needs to be done in the sector, what are the problems of its labour potential in general and in particular.

In order to provide a background of the empirical research and analysis, the author begins with a short but very informative theoretical and methodological chapter giving detailed picture of the concepts and indicators to be researched later, that will later turn into real characteristics of labour potential on the grounds of the empirical research. Concepts such as “workforce”, “labour capital”, “efficiency”, “human capital”, “developmental factors”, “labour potential”, “productivity”, etc., are defined. Labour potential, however, is only a set of possibilities, a set of resources and circumstances, available for each economy unit. The effect of their use depends on a number of social, financial, management and technical conditions. The qualities of labour potential, workforce and human capital are discussed in detail – such as skills and capacities, qualification, moral qualities, etc. Each sector should try to provide a higher degree of implementation of these qualities. Professor Petkov focuses readers' attention on *two major* issues: the first is adequacy, objective characteristics, qualities of the labour capital; the second one is the utilization of labour potential and shaping its qualities.

From that theoretical and methodological background the author proceeds to the empirical data. In his research he quotes and uses numerous sources of information with representative data. Following the theoretical model, Professor Petkov starts with the quantitative indicators of labour potential – its size and influencing factors (marriages, mortality and birthrate). From the first Table it becomes obvious that in 2001 rural population has decreased by almost 50 % compared to 1956. Essential is the role of *mortality*, especially after the transition to market economy. Since the late 1970's the resulting quantity – *natural increase rate* of the population, - remains negative. As an overall explanation of the resulting quantitative changes the author points out also the changes in the *fertile contingent*. Rural families usually have unfavorable structure – most of them, especially those in active age, have left rural regions and villages, migrating to bigger towns and cities looking for a job.

---

\* *Liudmil Petkov*. Labour Potential of Agriculture in Bulgaria. Sofia: Marin Drinov Publishing, 2008, 176 p.

The phenomenon of *rural population emigration* to EU Member States is not unusual either. After the inconsiderate and hasty destroying of old agricultural associations and structures the rate of rural unemployment has been steadily growing.

Professor Lyudmil Petkov Ph.D. provides an in-depth analysis of those factoral indicators that mark mostly the quality of labour potential. On page 46 the *age structure of the population* is given with conclusions for its labour and entrepreneurial activity. Then, an analysis of the *health status* and challenges of the rural healthcare system are reviewed. Due to the processes of *ageing and migration* in 2005 the population in active age has decreased with 48.76% compared to 1970. In each household the unemployment rate has increased, together with the economically inactive population in some cases.

Qualitative indicators also include the *educational structure of population*. Persons with primary and secondary education prevail. "...Age and educational structure do not allow for high productivity labour potential..." (see page 47). In general, employment in agricultural sector is constantly decreasing. Source of concern is the negative trend of "fast decreasing number of persons under the age of 35" (see page 59).

Taking into account a longer time-span, Professor Petkov notes the *decreasing opportunities for agriculture farms to accumulate and invest money* (see page 71). Fund-raising ability is low, particularly in the period 1970 - 1985. In general, fund-raising ability is twice lower than in industry. The relative share of manual and unattractive labour remains large.

Labour is analyzed not only as a production factor. It also gives the sense of person's comfort or discomfort in the quality of life and environment. A whole complex set of living conditions is analyzed. In the late 1970's approximately 44.6% of rural dwellings feature physical attributes that do not meet the necessary living conditions for decent dwelling; approximately 32.6% of them need to be renovated and reconstructed; low level of provision of drinking water (41% for 1970) and there is functioning sewage system only in 1.22% of all villages. There are significant problems in the welfare of housing, while since 1989 the quality of rural healthcare has deteriorated. Disaggregated data for the lagging behind incomes of the rural population are quoted; the legal forms of inclusion in the labour process; remuneration of labour and labour profitability; labour consumption and labour productivity. Farms' size is viewed as an important factor for the efficient utilization of labour potential. The author ascertains some positive trends for growth but it is rather inconsistent compared to the objective technological needs. Specialization of small farms is insufficient, thus leading to low labour productivity. The essential forms of specialization are researched, followed by recommendations to farms. According to the theoretical plan of the first part, Professor Petkov analyses the level of technical equipment of farms, ownership of that technical equipment – owned or rented, concluding with valuable assessments and conclusions.

The last chapter, "Incomes, means and measures to improve the labour potential in agriculture," considers how the results of the profound empirical data can be used and turned into specific intellectual product. Tangible conclusions and recommendations are formulated, aimed at farmers and their associations, as well as at the subjects of agriculture policy. Sometimes addressee is strikingly accurate – governmental bodies who are occasional authors of specific agricultural, regional and social policy. In his approach Professor Petkov envisions a wider range of audience that could contribute to larger scale and more efficient solutions. Therefore, he often intentionally addresses an impersonal, varied subject. These are the agriculture experts and managers, sociologists or political parties in general, civil associations and NGO, "freelance scientists", etc. Author's conclusions and expectations are too wide and far-reaching to be utilized by one single institution.

The author calls for united efforts when drafting a national strategy that should not repeat the mistakes of the inefficient strategies so far. He defines several priority measures such as decent and profitable paid employment as a motivating factor and decent living conditions in rural regions. That would mean less pronounced attractiveness of big cities and industrialized regions. Professor Petkov points out also the *need to improve living conditions, healthcare and childcare facilities, infrastructure and services, etc.* Here some of the most relevant conclusions by chapters are repeated - *consolidation and establishment of competitive farms with relevant level of technical equipment, improved lease relations in long-term contracts, establishing cooperatives to facilitate producers.*

Vladimir G. Stankov, Professor, Ph. D.