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HOUSEHOLD BUDGET SURVEYS IN BULGARIA (1925 - 2010)*

The year 2010 is the 85th anniversary of the first survey on the family incomes and expenditures of clerks' and workers' households in Bulgaria. This article is dedicated to these first steps made by the General Statistics Directorate in Bulgaria in March 1925 in surveying and publishing the data on the budgets of a total of 1385 households. The foundation of sample surveys on household budgets in Bulgaria is laid with this first investigation. In this sense this article is also dedicated to the statisticians working for the creation, development and affirmation of this survey in Bulgaria.

JEL: C42; D1; J11

The idea of exploring, describing and analyzing the processes taking place in the household, originated in antiquity. It is enough to mention that the word "economics", literally translated from Greek, means the art of running a household economy.

Tracing the manifestation of objective economic laws of development from the past to the present, it is possible to say that in the modern economy there are four interacting economic sectors – households, business sector, state and foreign trade sectors. They are connected through three types of markets – product markets, financial markets, and markets of production factors.

The economic life of households¹ has a considerable impact on the demand and supply of goods and services. On the one hand, households are participants in the aggregate demand, on the other hand – they generate the gross national product. Mainly these characteristics determine the necessity to regard households as social units playing a considerable role in producing and actualizing economic relations. The separate household could be regarded as a mechanical compilation of separate persons only provisionally, but in fact it is the smallest stable and inseparable cell of the social organism. The household reflects all economic processes and reproduces them at multiple small-scale. This assumption defines the essence of the household as an information unit and at the same time imposes it as an information source for a more profound investigation of the problems of social-economic reality. It is possible to specify that the household, considered as an economic category, has reflected the relations among persons in the process of acquiring, distributing and consuming material goods from the past to present.

* I personally dedicate this article to my first teacher in practice and a head in the Central Statistical Headquarter, Misho Tzanov (1923 – 1981) – a head of department "Observation of household budgets" in the period 1960 – 1980.

¹ At present the statistical theory and practice have adopted the following definition for a household:
a) A community of people who reside in one dwelling or part of a dwelling, eat together and spend the acquired means, i.e. have a common budget, regardless of existing kinship relations among them.
b) A person who lives separately, eats separately and has a separate budget.

The years through which surveys on household budgets have been carried out (since 1925 onwards) could be provisionally divided in three time periods,² as follows: surveys done until 1944; surveys done after the World War II – from 1951 to 1989; surveys after 1989. This delineation of periods is mainly related to the considerable political and economic changes in society distinctly reflecting upon the lives of regular households through the years.

The first period is related to the beginning of the industrial development in Bulgaria, but regardless of all the efforts in this direction, until the end of the World War II our country remained predominantly agrarian with numerous small-scale agricultural producers.³

The second period⁴ is characterized primarily with the termination of private ownership over the means of production, development of strong centralized planned economy, liquidation of small-scale farming and establishment of impressive in scale industry for a small country such as Bulgaria. Today, the beginning of the XXI century, the results from the economic development of the country indicate that what was accomplished through the years does not correspond to the Bulgarian natural peculiarities and national characteristics. Our development lags behind with regard to the world economic standards as much as the global development trends.

In the third period⁵ begins the Bulgarian transition to market economy. The new type of social relations in the last 15 years have been shaped by the private

² The methodological and organizational peculiarities of the surveys from the first two periods of the past century are discussed in detail in the publication 100 years Bulgarian National Statistics (1881 - 1981) - 1984. Thus, it is possible in this paper to mostly emphasize the analysis of data from the surveys on household budgets.

³ Six surveys on family income and expenditure are known to have been carried out in this period as the first survey was done in March 1925 with a sample of 1 489 households (out of them the budgets of 1 385 households were used). Other surveys followed:

- The second HBS was carried out in 1926 for three months: October – December. There is no available detailed information about the survey program or sample design .
- From June 1, 1927 to May 31, 1928 *the first year round HBS* was done. Data from this survey are included in this paper.
- From March 1, 1935 to February 28, 1936 the first year round survey on rural households was done. Questioned were 1 420 households in 199 villages from all state districts.
- From June 1, 1938 to May 31, 1939 a survey on 227 clerks' and 175 workers' households was done in only five cities of the country: Sofia, Plovdiv, Varna, Rousse and Pleven.
- In 1944 a sample statistical HBS was carried out, involving a limited number of households. The results from this survey were not officially published.

⁴ In this period was the start of regular annual HBSs having samples of varying content: Precisely *in 1951 the methodology of future surveys* was developed and pilot surveys were done. In 1953 the surveyed households were 839, while the samples in the following years contained up to 2500 observed households.

⁵ In this period the number of surveyed households varied according to the financial situation of the National Statistics. For the major part of the period 3000 households were annually surveyed, as for certain years the samples contained up to 6000 surveyed households (in 1995 and 1996, and later in 2000 and 2001). Since February 1, 2002 the sample had involved 4200 households, and since August 1, 2002 – 3000 households. In 2010 a new sample design was developed providing for 3060 households to be surveyed each three months, separated in three sub-samples, during the course of a

initiative, entrepreneurship, and a gradual withdrawal of the state from the economy.

During all the above-mentioned periods the social and economic changes in Bulgaria gradually transformed the profile of the regular Bulgarian household. The numbers obtained from surveys through the years give a clear enough idea about the qualitative change in the lives of Bulgarian households as a whole. Nevertheless, it is worth emphasizing that *Bulgaria has gone the way from peasant sandals and oxcart to computer and Internet as a poor country in comparison to the industrially developed countries.*⁶

In fact Bulgaria entered the new millennium with underdeveloped, uncompetitive economy and labour force that now could hardly face the challenges of globalization and information society. The data indicate that poverty is continually reproducing since the labour productivity as much as the incomes of the major part of Bulgarian households have remained notoriously low in the last years. Overall previous and present surveys on household budgets have indicated a great share of food expenditure – an indication of a permanent impoverishment.

Household Budget Surveys until 1944

Six surveys on household budgets are known to have been done in the past century.⁷ Typical for all surveys from the period were samples disregarding the principle of the stochastic selection. Therefore, they cannot be considered representative for the country (see 100 years Bulgarian State Statistics (1881 – 1981)..., p. 130).

This situation does not allow for obtaining a precise comparability of data. Nevertheless, this information illustrates the income, expenditure and consumption of Bulgarian households in the first half of the century. The economic interpretation of data from the surveys could be regarded as a fragment in the history of Bulgarian people and their existence in the past. The final conclusions do not claim to have highly analytical and informative value – usually an attribute of comprehensive and representative statistical surveys. The primary objective in presenting the data and

year. For each month of the three month period the households from one sub-sample containing 1 020 households are monitored. As a result each selected household participates in the survey for 4 months in one year. In the course of their participation the households fill in diaries recording the incomes and expenditures of their members for the current month. In addition they fill in retrospective questionnaires about irregular incomes and expenditures incurred in the past two months during which they did not directly and actually participate in the survey.

⁶ This assumption needs some additional explanation. It applies mostly to relative (the comparison to the industrially advanced countries before and now), but not absolute poverty. In comparison to the past, now people could afford purchasing more goods and services than before, but in comparison with what they desire to have, they are deprived of many things. This is so because the new technologies facilitate the continuous and rapid production of plenty of varied updated products which are out of reach for the majority of the world population, including our country.

⁷ In this paper I mainly try to analyze and comment on the data from only a few of the HBSs from the past century. The choice of these surveys was not random. The objective is to demonstrate the characteristic traits of a past era through the data on household budgets from specific years.

associated comments is to offer a different view towards specific historical periods in the Bulgarian national development.

The first survey was carried out in one month only – March 1925.⁸ The major share in the sample represented households of clerks and civil servants – 1243 households, followed by those of workers – 82 households and artisans – 60 households. This survey did not include rural households (*Comptes de menage...*, 1928., p. V). The data on household incomes (as well as on consumption and expenditure) are presented as closely as possible to their original publication in generalizing tables. To obtain a bit greater comparability, data are presented “for consumption unit on average”⁹ (in the cited publications, data are presented in total and according to types of households, as the characteristics are “for a household on average” and “for a type of household on average”¹⁰).

The household incomes by sources, in absolute and relative terms, indicate that husbands had the greater share in their structure. Wives had smaller contribution to the overall income formation since they mostly functioned as housewives raising their children at that time. According to Census data, in the beginning of the century the average number of household members was 5.6 in 1900 and twenty years later, in 1920 – 5.3. It is known that in this period the birth

⁸ *Comptes de Menage. Anquete sur les recettes et depenses des menages de fctinnaires, d'artisans et d'ouvriers pendant le mois de mars 1929. Livre II Royaume de Bulgaria, direction generale de la statistique. Sofia, 1928.* It is interesting to emphasize that the individual budgets of all surveyed households in the period were published under the numbers from № 1 to № 1243 in Book I and II.

⁹ The term “consumption unit” was accepted to apply to a male individual of 25 or more years of age. In general all data on income and expenditure of the households participating in periodical and irregular sample surveys from the period 1925 – 1945 were presented in the publications of the respective years as per household on average, per type of household on average and per consumption unit on average. The researchers/statisticians who prepared the publication about the budgets of surveyed households in 1925, had provided a full list of these households as a proof to the maximum authenticity, precision and actuality of the survey. The list contained a brief description of the number of household members by gender and age, including the occupation of the head of each household. Names and addresses were not published in line with the principle of preserving the anonymity of respondents – a condition obligatory for every similar survey in all times. It is important that for each household the number of consumption unit was pointed out. Thus, for example, under № 285 in the publication there is “a clerk's household in Plovdiv with male members of 40, 16, 10 and 1 years of age and female members of 36, 15, 8 and 5 years of age”. This household was described as 5.14 consumption units. The need to introduce this measuring unit was dictated by the conditions of real life, considered by the researchers in presenting the data in a format suitable for analysis. In those times in Bulgaria the old patriarchal families with their traditions and lifestyles were prevalent. Households composed of multiple generations were common. In general this measuring unit reflects the particularities of the co-existence of numerous and varied households at that time. Turning household members into consumption units and using them as denominators for calculating household income and expenditure in average values (per consumption unit on average) makes possible to account for the monetary values of equal in importance and necessity goods commonly consumed by the members of each household. These were the heating and lighting appliances, including furniture used by all members of the household and having no individual character.

¹⁰ It was accepted that a type of household consisted of a husband, a wife and three children or that was 4 consumption units.

rate as well as the mortality rate was high. Households were composed of multiple generations thus creating the necessity for the woman to be a mother and a housewife.

Table 1

Household incomes in March 1925

Income from:	Income of households residing in:			
	Own dwelling		Rented dwelling	
	For a consumption unit on average, BGL	Relative share, %	For a consumption unit on average, BGL	Relative share, %
Occupation of:				
Husband	778.79	74.03	918.17	73.00
Wife	79.08	7.52	173.47	13.79
Children	67.87	6.45	55.17	4.39
Property	53.49	5.08	17.20	1.37
Land	33.25	3.16	28.12	2.24
Capitals	1.97	0.19	6.50	0.52
Additional work	37.57	3.57	59.06	4.69
<i>Total Income</i>	<i>1,052.02</i>	<i>100.00</i>	<i>1,257.69</i>	<i>100.00</i>

Source. Comptes de menage. Royaume de Bulgaria. Sofia, 1928, p. 162 - 164.

The data show that the lowest was the income from "capitals" which could be explained with the poor industrial development of Bulgaria at that time. Incomes from "land" were small for obvious reasons – the observation did not include rural households. Incomes from "additional work" were not high either, thus indicating the low employment level of the labour force in the country.

The data on expenditure of the observed households indicated a high absolute amount as well as a high relative share of food expenditure – 49.37%. The second in importance segment of the household expenditure was money spent on clothing and shoes (21.73% of total expenditure), also for fuel (7.02%). Obviously the households had incomes covering primary necessities. Only the relative share of these segments of the budgets of the observed households equals 78.12%. The remaining 21.88% of expenditure involved a great number of other necessities such as electricity, furniture, kitchen appliances, medication, hygiene (bathing, cleaning, and laundering), taxation, books, newspapers, magazines, school fees and utensils, etc. The data indicate how little was spent on furnishing the home, for education, entertainment and literature. Food consumption of households was also markedly modest in quantity, as the prevailing commodity was bread. Overall the data illustrate the poor lifestyles of regular Bulgarian households in the 1920s.

From June 1, 1927 to May 31, 1928 *the first full-year observation* on household budgets was carried out, involving 173 clerks' and 93 workers' households from 12

district towns of the country (see *Annuaire Statistique du Royaume de Bulgarie...*, p. 346 – 361). The program of this observation was similar to the one from 1925.

Table 2

Average monthly household incomes for the period 1 June 1927 – 31 May 1928

Income from:	Income of:			
	Household of clerks		Household of workers	
	For a consumption unit on average, BGL	Relative share, %	For a consumption unit on average - BGL	Relative share, %
Occupation of:				
Husband	1,131.9	62.2	829.7	71.9
Wife	66.3	3.6	55.9	4.8
Children	58.9	3.2	42.4	3.7
Other members	21.3	1.2	15.2	1.3
Properties	100.7	5.5	15.9	1.4
Lands	42.4	2.3	4.2	0.4
Capitals	6.0	0.3	4.8	0.4
Pensions	89.4	4.9	15.4	1.3
Other incomes	306.4	16.8	170.5	14.8
<i>Total income</i>	<i>1,823.3</i>	<i>100.0</i>	<i>1,154.0</i>	<i>100.0</i>

Source. *Annuaire statistique du Royaume de Bulgarie.* Sofia, 1931, p. 346 - 349. Incomes are recalculated from annual to monthly average.

The data from this observation again indicate the leading role of the husband in securing the household maintenance. Besides, it is evident that the households of clerks had higher incomes than those of workers. Due to differences in the periods of observation, it is hard to offer serious conclusions about the income dynamics in 1927-1928 in comparison to March 1925. Similar is the situation with the household expenditure from the two periods of observation.

In addition the data indicate that incomes as well as expenditures of the households of clerks were higher than those of the households of workers. At the same time the food expenditure of workers' households was considerably higher mostly in relative terms. Thus, for example, the relative share of food in the households of clerks is 39.5%, while for the households of workers it is 51.5% or higher with 12 percentage points. In comparison to the households of clerks, the households of workers were restricted in terms of clothing and shoes, fuels, energy, electricity, furniture, medication, hygiene and other essential goods and services.

The first survey on rural households in Bulgaria was carried out from March 1, 1935 to February 28, 1936. The survey involved 199 villages. Questioned were 1420 rural households, out of them the budgets of 939 households were used and processed. The average number of household members was 6.1. A curious document of the Ministry of Agriculture and State Property marked "strictly confidential" contains an analysis of the data from this survey (5-years' Agricultural Plan 1942 – 1946, Part III...).

The data show that the total expenditure of the rural household amounted to 24, 093 BGL (or monthly average – 2, 008 BGL). This expenditure was distributed by categories as follows:

Table 3

Total expenditure of a rural household 1935 – 1936

Expenditure for:	BGL	%
Food	16,489	68.43
Clothing	2,391	9.93
Shoes	1,048	4.35
Heating	1,040	4.32
Personal necessities	890	3.69
Cultural necessities	728	3.02
Medication	582	2.42
Funerals	440	1.83
Religious necessities	97	0.40
Building maintenance	61	0.25

The data illustrate that the biggest share in the total household expenditure was the food expenditure (68.43%), followed by expenditure for clothing and shoes. The lowest was the expenditure for building maintenance. Therefore, the greatest concern of farmers at that time in their struggle for survival was related to procuring the necessary food and clothing. The main source for satisfying the product needs was the private farming economy. The value of products acquired in the private farm and used for satisfying private needs amounted to 69.7% of the total expenditure. Only 30.3% of the household expenditure was allocated to market purchases, meaning that the rural household had a closed, natural and self-sufficient character. In addition in these years there was a tendency for an increase in the natural incomes of rural households – a result of land fragmentation and a decrease in monetary incomes.

The data also indicate that bread was the primary food of the rural population. It represented 36.63% of the total food expenditure, followed by various types of meat: beef, sheep, poultry and pork – 13.7%; milk, cheese and other dairy products – 10.3%; fruits, melons, watermelons, pumpkins, etc. – 9.38%; vegetables and pulse – 8.00%; groceries – 6.84%; eggs – only 2.00% of the total expenditure. Expenditure on butter was also insignificant – hardly 1.00% and on honey – 0.25%. Expenditure on alcoholic drinks was 5.28% of the food expenditure, which could be regarded as a relatively high share.

The caloric content of the consumed food, according to the survey, was calculated at 3408 calories per day for an adult male. This data indicate that the food consumed by the Bulgarian peasant was enough in terms of caloric content for an average menial workload, but quite insufficient during the seasons of intensive farm work in the fields. Obviously, the main source of calories was bread – 72% of the total

caloric value of the food consumed. In addition in general the food consumed by the Bulgarian peasant was rather monotonous, according to the survey.

The survey data indicate that the second in importance concern of farmers was procuring clothing for household members. Expenditure on clothing and shoes amounted to 14.28% of the total expenditure. For meeting these demands the rural households bought the necessary materials on the market – 63.5% of the total expenditure on clothing and shoes. The remaining 36.5% of this expenditure illustrated the value of materials obtained in their private farms.

The survey illustrates that the residential buildings of the rural population at that time were rather unhygienic owing to the poor construction techniques and unsuitable building materials. The data indicate that 60.8% of the buildings were made of clay. This was the main reason for the little endurance of buildings – they survived just 54 years on average. Correspondingly a relatively small number of households had a separate room designated as kitchen - 43.56%. Kitchens lacked the necessary facilities. Merely 11.5% of the rural households had channel sinks. Only 53.42% of them had ovens for baking bread. Water supply for households was most often provided by commonly shared fountains and wells situated outside the houses. The conclusions of the survey specified that the water supply from wells was done in the most primitive way, thus leading to regular cases of infectious diseases. This negative portrayal is in addition complicated by the rather more unhygienic state of the toilettes used by the rural households. The data show that 17.37% of them did not have a toilette at all.

The average value of the furniture represented 7.18% of the capital invested in the household economy. In the majority of households people slept on the floor. Only 32% of the rural households possessed kitchen cookers in the proper sense. In most rural households food was served on low tables (*sofri*) with people sitting on the floor, eating from the same plate with wooden spoons.

Expenditure on cultural activities of the rural population was 7.11% of the total expenditure. Most often this expenditure was related to the education of children. Means were scarce and did not allow for meeting other demands associated with culture. This situation is indicative of the liking the Bulgarian villagers had for schooling and their aspiration to educate their children.

Household Budget Surveys in the Period 1951 – 1989

In Bulgaria the study of household budgets with application of scientific methods in the selection of households is considered to have started in 1951 as regular surveys have been carried out since 1953.¹¹

¹¹ Evgeni Mateev, a renowned Bulgarian scientist and academic, was the Director General of the National Statistics from 1953 to 1961 and later – a chairman of the Central Statistical Office (CSO). The late Peter Dinev, my respected senior colleague and ex-director of the existing then Directorate "Statistics of Agriculture", remembered how during one of the operative meetings with the leadership of CSO, Acad. Mateev defined the role, significance and essence of HBS by stating: "In its activities the

Depending on the selection methods applied, after the World War II the study of household budgets is divided in two periods. The first period continued from 1953 to 1961, and the second – from 1962 to the present moment.

During both periods the random selection method has been applied. The difference between the two periods is that initially the selection of households was done on the basis of the branch principle (the nests from which the households had been selected for observation were actually the state enterprises) not including all categories of households – the pensioners' households, for example. In the second period the territorial principle prevailed (the nests are the Census districts formed during Censuses) involving all categories of households. This difference in the selection technique and scope of households involved is the main reason for the incomparability of the data from the two periods.

The configuration of the types of households and their budgets in the post-war period was influenced by radical social and political changes in Bulgaria. In the second half of 1940s and 1950s of the XX century the economic development of Bulgaria started under the sign of major reforms in the economy – the termination of private ownership and mass collectivization in agriculture. These events accelerated the disintegration of the patriarchal Bulgarian households mostly present in rural areas. Thus, for example, the average number of household members in 1950s was over 4 persons; gradually declining afterwards to reach 3.60 in 1965, 3.37 in 1975 and further decreases to 3.22 in 1985 as in 1989 it is already 2.94. The general tendency in the changing household structure in terms of the number of members is characterized by a gradual increase in the relative share of one-member and two-member households.¹²

In this period data on the budgets of major social groups were published: workers, public officials and cooperative farmers.¹³ It is considered that all of them

National Statistics carries out two types of surveys. The first type are the surveys on household budgets and the second – on everything else".

¹² In the second half of the XX century the patriarchal families from the past gradually disappeared. There was a considerable decrease in the differences between the number of persons and the number of consumption units in a household. For example, before the differences were measured in units, and gradually over the years, they became one tenth and one hundredth of the unit. This peculiarity influenced the presentation of the data from regular household budget surveys after 1950. Incomes by sources and expenditures by types were presented as per household on average and as per person on average making it clearer for the common user of information and at the same time the economic commentaries of these data became more understandable. Nevertheless, the measures for the average number of consumption units of various types of households continued to be calculated. In this way recalculating incomes and expenditures as per consumption units on average is still possible and it could be done in order to achieve maximum precision of the analysis and conclusions from surveys. In addition the idea behind consumption units coincides with the way in which the equivalent scales are produced in studying poverty in Bulgaria and other countries. Thus, for example, members of the EU and candidate-members use in their studies the EUROSTAT equivalent scale, as follows: 1 – for the head of a household; 0.5 – for every other adult household member; 0.3 – for a child under 14 years of age.

¹³ Following the social and economic changes in the country after 1989, this separation by social groups lost economic and social sense and relevance.

in cooperation established the socialism in the country. Thus, for example, the annual total income per household member is 7720 BGL in 1955. The households of cooperative farmers received the highest annual income – 13 472 BGL. It was 3.4 higher than the income of the workers' households (3921 BGL per person) and more than 3 times greater than the income of the households of public officials (4433 BGL). In those years the households of sole agricultural producers were observed; they had the lowest total income in comparative terms – 2778 BGL per person.

For all observed households the main source of income was the labour wage and remunerations from the cooperative farms. The share of this source in the total income for all households was 58.4% as there was a considerable difference among the separate types of households: for the households of workers the share was 82.0%; for the households of public officials it was 86.6%; and the households of cooperative farmers had the lowest share – 54.8%, but on the other hand, they had the highest income from the private farm – 26.9%. In comparison – the share of this income in the households of workers was 5.7%, as for the public officials it was only 2.2%.

These data reflected the ongoing reforms in society – the gradual liquidation of private ownership and land cooperation. The state, represented by the leading Bulgarian Communist Party (BCP) and its satellite organization – the Bulgarian Agricultural People's Union (BAPU), gradually occupied the high places in the economy of the country. *In those years the income of people employed in agriculture was still considerably high.* At that moment Bulgaria was on the eve of pending big-scale industrialization or, in other words, the imminent transition from a predominately agrarian country to a country with advanced industrial output.

At the same time the total household expenditure of cooperative farmers was the lowest – 2713 BGL per person, while for the households of workers it was 3635 BGL, and for public officials it was 4160 BGL. For all categories of households the food expenditure in absolute and relative terms prevailed: for workers' households the share was 46.4%, for public officials' households – 43.5% and for farmers' households it was the highest – 53.1%. The consumption of basic food products by the separate categories of households indicated that there were certain differences, but on the total *the data show that in the 1950s Bulgaria was a country with a poor population and the connection between the village and the city was distinctly expressed in terms of the transfer of agricultural production between the two.*

For the entire period 1962-1989 the total income in nominal terms increased from 487 BGL to 2 591 BGL or that was 5.3 times per person on average. For the households of workers this increase was from 498 BGL to 2 526 BGL or 5.1 times, for public officials starting from the highest base – 603 BGL to 2 619 BGL or 4.3 times and for the households of cooperative farmers – from the lowest base – 433 BGL to 2800 BGL or 6.5 times. It is difficult to answer the question concerning the real increase in incomes from this period due to lack of official information about

inflation. It is known that price changes were then controlled by the "Central Price Management Institution". In fact these changes were part of the regulation mechanisms for distribution and re-distribution of incomes as the equalization principle was strictly adhered to, all other conditions being equal.

The main source of incomes was the labour wage and remunerations from the farming organizations. For the period a decrease in its relative share in the total income was evident. For all surveyed households the share of the labour wage from 65.3% in 1962, decreased to 55.9% in 1989 - a decrease with 9.4 percentage points. For the separate social groups the change was as follows: for the workers' households the share decreased from 70.9% to 57.0% or with 13.9 percentage points; for the public officials from 75.5% to 62.7% or with 12.8 percentage points; for the households of farmers this share decreased from 55.2% to 37.2% or with 18.0 percentage points.¹⁴

The data from the regular household budget survey in this period indicate how the egalitarian society gradually exhausted its potential and abilities. In 1980 with a decree issued by the Council of Ministers a new system was set up, intended to make households self-sufficient in terms of food production.

The economic analyses from the 1970s explicitly indicated that as a result of accelerated, chaotic, resource-intensive and big-scale industrialization the existing and necessary balance between agriculture and industry had been disrupted.¹⁵ At that time it became clear that our country had badly regressed in relation to new technologies, losing in the competition with the developed market economies of the western world. An attempt at overcoming the growing economic problems was made by favouring the expansion of private farms in the beginning of the 80s. This attempt could not avert the impending crisis in the national economy in general, but to a certain degree limited the decline in real incomes. This situation could shortly be described having in mind that the relative share of incomes from private farms in

¹⁴ After 1982 in result of introducing new forms of organizaion in agriculture (Agro-industrial complexes and Industial agro complexes), the cooperative farmers transformed into agricultural producers.

¹⁵ The first more significant tremours in the economy of the country were evident in the years before and after the 50th decree of the Central Committee of the Bulgarian Communist Party and the Council of Ministers from November 10, 1979. In this period a new method of surveying household budgets by a rotation sample was implemented (in January 1977). A rotation scheme of four months duration was implemented providing for 7500 households to be surveyed every year. Over the course of time this sample model proved to be not flexible enough to adequatly reflect the imminent social transformation. The introduced new economic mechanism and a change in the method and amount of payment to some groups of the employed in the national economy after 1981 did not facilitate the credible annual evaluation of household incomes (this sitaition was most evident in expenditure distribution of households by income groups – there was a paradox related to the estimations on household expenditure which were higher within income groups). In other words the informaion used for evaluating the amount of annual income for these categories of the employed was scarce and inadequate due to the short observation period. This problem was additionally aggravated for those employed in agriculture and seasonal workers as these groups received their wages in summer and autumn while in winter and spring they registered mainly consumer expenditure for household maintenance.

1962 was 17.5%, reaching the lowest level in 1980 – 11.7%, increasing afterwards in 1984 to 16.1%, but again decreases in 1989 to 14.7%. The income from the private farm was the lowest for the households of public officials and (in 1989 it was 7.8% of the total income) and it was the highest for the households of farmers (32.6% for the same year).

In the period 1962 – 1989 the total expenditure per household member increased in nominal terms from 461 BGL to 2332 BGL.

In the entire period of observation the most considerable part of household expenditure was food expenditure. In 1962 the share of this expenditure was 45.2%; in 1970 it declined to 40.6%, in 1980 it increased again to reach 42.6%. This volatile tendency continued in the next years. Thus, for example, in 1985 the food expenditure reached 40.9% of total expenditure, while in 1989 it decreased to 38.1%. The last decline at the end of the 1980s could be explained with the pending market stagnation (the disappearance of many commodities of primary necessity) and the expectations for economic crisis. As it is now known, these expectations not only were entirely justified, but also caused a shock among the population related to the impressive in scale despoilment and destruction of the existing up to that moment so called public property over the means of production.

The share of food expenditure is one of the most synthetic and expressive indicators of the current standard of life in a given country. In the period under consideration there were no noticeable and considerable differences among the food expenditure of the three basic social groups – the households of workers, of public officials and of farmers. Thus, for example, at the end of the period – in 1989 this share for the households of workers was 39.0%, for public officials – 36.4% and for farmers – 38.7%.

Another considerable share of household expenditure was money spent on clothing and shoes. In 1962 their share in the total expenditure was 13.9%, in 1965 – 13%, following a decrease and in 1980 it reached 10.2%, while in 1989 – 9.9%. Similar tendencies were noted for the various social groups. Therefore, for the households of workers the share of this expenditure on the eve of the changes reached 10.0%, for public officials – 10.7% and the highest decline was noted for the households of farmers – 7.6%.

Simultaneously there was a marked tendency for an increase in the share of expenditure on postal and transportation services and purchases of transportation vehicles, as well as expenditure on taxes and fees. Thus, for example, the share of expenditure on postal and transportation services in 1962 was 2.4%, in 1975 it was already 6.9%, in 1985 – 7.0% and in 1989 it reached 7.3%. Obviously the growing purchases of private automobiles had an influence on the re-structuring of household expenditure. Respectively, the share of household expenditure on taxes and fees also pointed to an increase during the mentioned years, as follows: 3.9; 6.7; 7.1 and 6.9%.

These tendencies were evident for households of the different social groups. The differences (as far as they existed) did not indicate definite social regularities

of economic importance. This fact underlined the conditional division of society into groups by indicators having no real economic value. In reality the effect of the egalitarian principle imbedded in society was proven – a principle to which all social groups were subjugated from 1944 to 1990.

A new attempt at revitalizing the economy was made by a Decree № 56 from 13. 01. 1989¹⁶ that in fact introduced the private sector into the national economy. As a result the private business rapidly conquered the best part of the state sector, especially in the spheres of commerce and services. This Decree introduced the conditions for establishing new forms of economic relations, tracing the path towards market economy. In reality the dynamic development in this direction has begun after the price liberalization in February 1991.

Household Budget Survey 1989

Household Income and Expenditure in the Period 1990 – 1998

Since the beginning of the peaceful transition from a totalitarian to a democratic society (from the beginning of the 1990s), the political elites of the country have propagated the chief objectives in the development of Bulgaria – implementing structural reforms in the national economy (gradually transforming public property into private) and ensuring a steady social transition to market economy. These objectives proved to be difficult to achieve in the last decades, since they were accompanied by a number of problems – a big-scale grey economy, high inflation rates, unemployment, criminality, pillaging of enterprises and further devastation of the economically declining agricultural sector.

After the beginning of transition the real incomes of people radically and gradually decreased. Thus, for example, in 1999 the real incomes declined by 71.6% in relation to the beginning of transition. The inflation was so high that the considerable nominal increase in incomes melted down in advance. The total income from 2591 BGL per person in 1989 increased to 1 432 320 BGL in 1998 or about 553 times and Bulgarian households were eventually impoverished. In reality this increase in household incomes was caused by the devaluation of national currency, since in that period parallel to the pillaging of public property, a devastating hyper inflation occurred leading to the collapse of the national economy. In 1991 (following the price liberalization in February) – in the course of only one year the real incomes decreased by 38.8%. The share of the labour wage consistently declined from 55.9% in 1989 to 40.1% in 1998. This result was owing to the annual lay off of workers and administrators from the state enterprises shutting down in the country, especially in the beginning of the 1990s.

¹⁶ This decree for the first time encouraged the private enterprising under state control. After 1990 the decree was constantly modified up to 1996.

Table 4

Real income indexes per household member

Years	Base years									
	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
1990	100.0									
1991	51.6	100.0								
1992	52.1	100.9	100.0							
1993	44.8	86.7	85.9	100.0						
1994	37.9	73.5	72.8	84.7	100.0					
1995	34.6	67.1	66.5	77.3	91.3	100.0				
1996	23.9	46.2	45.8	53.3	62.9	68.9	100.0			
1997	20.7	40.2	39.8	46.3	54.7	59.9	86.9	100.0		
1998	27.8	53.9	53.4	62.1	73.3	80.3	116.5	134.1	100.0	
1999	28.4	55.1	54.6	63.5	75.0	82.1	119.1	137.0	102.2	100.0

The second important source of household incomes were the social transfers (pensions, aids and stipends). For the period 1989 – 1998 they increased in absolute terms from 549 BGL to 276 789 BGL per person on average and reached the impressive increase of 504 times. Nevertheless, their relative share in the total income decreased from 21.2% to 19.3% for the period. *The tendency towards a relative decline in social transfers, devalued by inflation spiral, had affected millions of pensioners' households (and households in the composition of which there were pensioners). In reality in the beginning of the 1990s the majority of them slipped into the mass of the poor population in the country.*

In general it is important to stress that the population in Bulgaria is aging and the share of the aged persons increases. With economic stagnation under way this circumstance has increased the risk for the majority of the aged unemployed people and pensioners to slip into poverty. Obviously in this situation the existing model of social security system in Bulgaria has been put to a test.

Considerable sources of income formation in the same period were the revenues from private farms in natural and monetary terms. In 1998 in comparison to 1989 they increased from 380 BGL to 296 355 BGL per person on average or almost 780 times. Respectively their relative share in the total income increased from 14.7% to 20.7% or with 6.0 points. The data explicitly indicated that the work in the private farm had become an alternative for many households striving to overcome the negative effect the economic crisis produced for their budgets.

The transition to market economy made possible other sources of household incomes – from private business, rent, ownership of shares, sales of movable property and real estate, insurance and savings. Overall these sources of income had a relatively little impact on the final formation of household budgets in the initial years of the transition to market economy.

In the first half of the 1990s there was a marked tendency towards an increase in income differentiation of households. Thus, for example, the degree of this differentiation, measured by the Gini coefficient, was 0.22 in 1989, while in 1995 it increased to 0.36; afterwards in 1998 it reached 0.34. A conclusion to be made is that this tendency was a result of processes under way in society – necessary and characteristic of the transition to market economy as well as a result of the not always positive and mostly speculative ways of income re-distribution.¹⁷ This process of income differentiation was accompanied by a deepening social polarization. In 1989 the income of the richest 10% exceeded with around 7 times the income of the poorest 10% people in households. In 1995 this ratio was approximately 12 times, while in 1998 it reached 9.3 times.

The data also indicated that the household expenditure and their structure depended on the restrictive size of disposable income. In a situation of economic crisis the households allocated their expenditures according to a set of priorities – food in the first place, accommodation, water and energy for household use, followed by other expenditure. The establishment of the factual structure of expenditure, in relation to existing conditions, does not signify an absolute satisfaction of needs even in cases when the absolute value and the relative share of a type of expenditure prevailed for a given household.

The relative share of food expenditure appeared to be one of the most important items in the structure. The data indicated that it was the highest share during the entire period of observation – in 1989 it was 38.1%, in 1995 it grew to 46.3% and in 1998 it reached 47.9% of the total expenditure. For the economically developed countries this share is in the range between 16% and 20% of the total expenditure. Regardless of the fact that the food expenditure in absolute and relative value increased for the period, the consumption of basic food products considerably decreased in natural terms.

At the same time expenditure on accommodation, electricity, water and fuels for household use increased in absolute and relative terms. Thus, for example, in 1989 the share of this expenditure was 7.4%, while in 1998 the same share was already 10.9%. In other words only these two positions in the household budgets indicated that in the beginning of the period they constituted 45.5% of the total expenditure and at the end the same increased to 58.8% or with 13.3 percentage points.

It is important to emphasize that following the introduction of the currency board in the middle of 1997, a relative financial stability was achieved, but the process of impoverishment remained unrestrained. In retrospect the change in real incomes in the years up to 2004 (inclusive) did not reach the relatively high

¹⁷ A regular publishing of data on income differentiation of households in issues of the state statistics has been done since 1989. The Gini coefficient is calculated on the basis of data about the income distribution of household members by 10% groups. This coefficient is positioned in the range from 0 to 1. In the years preceding 1989 the Gini coefficient was sporadically calculated, having mostly an educational purpose. The data indicated that in those years it fell in the range between 0.17 and 0.20. After 1990 the Gini coefficient increased sharply and fell in the range between 0.32 and 0.36.

income level from 1995. This was the year prior to the greatest collapse of the national economy that reached its lowest values in 1996 and continued almost up to the middle of 1999 when the denomination of the Bulgarian national currency (BGL) took place.

Nevertheless, at the end of the past millennium there was some success in restraining the inflation and creating conditions for the development of relatively stable private businesses. *Gradually the state has withdrawn from the leading positions in economy and the private sector has increased its share in the gross domestic product (GDP) of the country.* The tendency towards a nominal increase in household incomes has continued in the first decade of the new millennium.

Household Income, Expenditure and Consumption in the First Decade of the New Millennium

The persistent tendency towards an increase in the household income in nominal terms for the last 10-11 years was altered in 2010. *As a result of the economic crisis in the country in 2010 in respect to 2009, the total income per household member on average decreased from 3 693 BGL to 3 648 BGL or by 1.2%.* In comparison with the other years from the period of observation, the level of income was higher. Thus, for example, in respect to 2008 the total income per household member on average in 2010 was higher with 4.2%, and in respect to 1999 – with 2.4 times.

The real household income also decreased in 2010 in respect to the past three years – 2007, 2008 and 2009. Thus, for example, in 2010 the real household income decreased with 3.6% in respect to 2009. In the years of the new millennium the highest was the increase in the real income in 2010 in respect to 2001 with 38.3%.

Table 5

Real income per household member

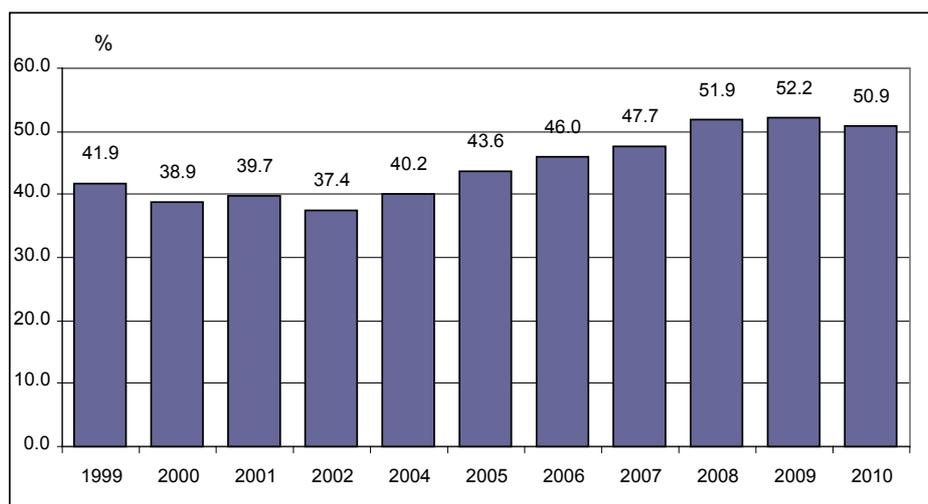
Years	Base years										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
1999	100.0										
2000	95.0	100.0									
2001	89.3	94.0	100.0								
2002	105.5	111.0	118.7	100.0							
2003	110.5	116.3	123.7	104.8	100.0						
2004	112.4	118.3	125.8	106.6	101.7	100.0					
2005	112.4	118.4	125.9	106.6	101.7	100.1	100.0				
2006	115.4	121.5	129.2	109.4	104.4	102.7	102.7	100.0			
2007	124.3	130.9	139.2	117.9	112.5	110.6	110.6	107.7	100.0		
2008	124.8	131.4	139.7	118.3	113.0	111.1	111.0	108.1	100.4	100.0	
2009	128.1	134.8	143.4	121.4	115.9	114.0	113.9	111.0	103.1	102.6	100.0
2010	123.5	130.0	138.3	117.1	111.8	109.9	109.9	107.0	99.3	99.0	96.4

In the period 1999 - 2010 the following most notable changes in respect to the sources of total income per household member on average occurred:

- In the last 12 years the income from wages in nominal terms to a great extent followed the changes in total household income. *In 2010 the income from wages was 1 857 BGL per person on average and increased approximately 3 times in respect to 1999, but it decreased in respect to 2009 with 3.7%.* The relative share of the labour wage in the total income was 50.9%, and in the beginning of the period under consideration it was 41.9% - an increase with 9.0 percentage points. But in respect to 2009 it decreased with 2.2 percentage points. Obviously the changes in 2010 in respect to 2009 were influenced by the consequences of the economic crisis in the country.

Figure 1

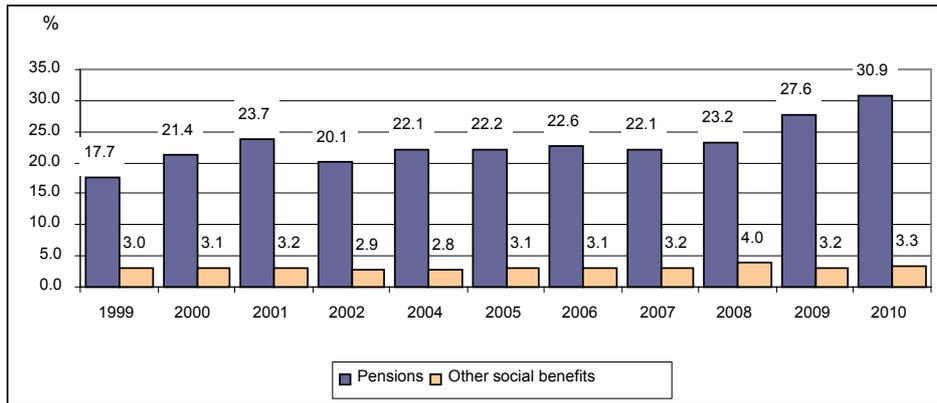
The relative share of the income form wage in the total household income in the period 1999 – 2010



- In 2010 in respect to 1999 the amount of social transfers paid (compensations, pensions, aids, and family benefits) increased in nominal terms 4 times, and their relative share in the total income increased with 13.5 percentage points. In this position, pensions dominated household incomes. In 1999 the income from pensions was 266 BGL; it increased in nominal terms to 1 128 BGL per person on average in 2010 or approximately 4 times. *In 2010 in respect to 2009 the income from pensions also increased – in nominal terms from 1 020 BGL to 1 128 BGL per household member on average or with 10.6%, and their relative share in the total income increased from 27.6% to 30.9% or with 3.3 percentage points.*

Figure 2

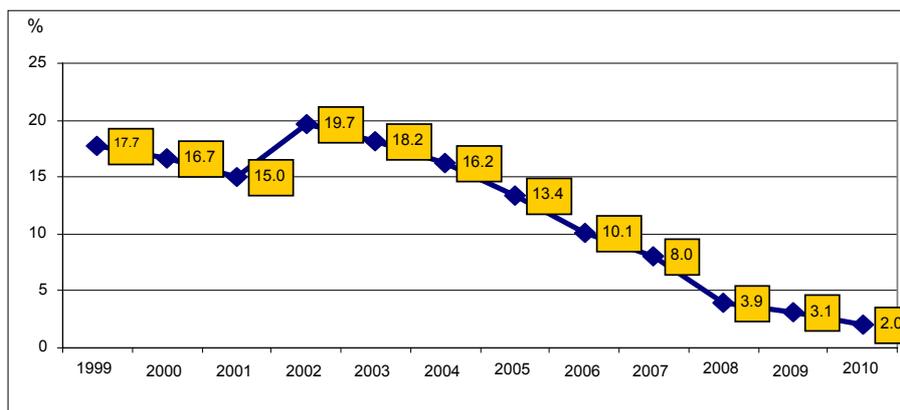
The relative share of the income from pensions and social transfers in the total household income in the period 1999 – 2010



• In 2010 in respect to 1999 the incomes from private farms decreased more than three and a half times (from 265 BGL to 73 BGL per person on average), and their relative share in the total income decreased with 15.7 percentage points. This situation is owing to a number of factors: intensive migration from rural to urban areas since the 1950s of the past century; aging population; liquidation of the cooperative state farms after 1990, etc. It is obvious that a great majority of households do not rely on incomes from private farms since the material and labour costs of agricultural production have increased and made it ineffective.

Figure 3

The relative share of income from the private farm in the total household income in the period 1999 – 2010



•The incomes beyond labour wage and from entrepreneurial activities have increased in nominal terms for the last 12 years. In the period 1999 – 2010 the income from entrepreneurship per household member on average has increased from 65 BGL to 174 BGL or 2.7 times. For the same period the income beyond labour wage has also increased, but in 2010 it reached 82 BGL per person on average – a lower value in respect to the previous years. These tendencies could be explained with the peculiarities of the economic crisis more negatively impacting on the incomes of those employed at firms and enterprises in comparison to entrepreneurs.

•The indicators of the income differentiation and polarization of households did not demonstrate a clear tendency for an increase or decrease in the period 1999 – 2010. The highest value of the Gini coefficient was observed in 2002 – 0.34 followed by some fluctuation. The next value in 2010 – 0.29.

Table 6

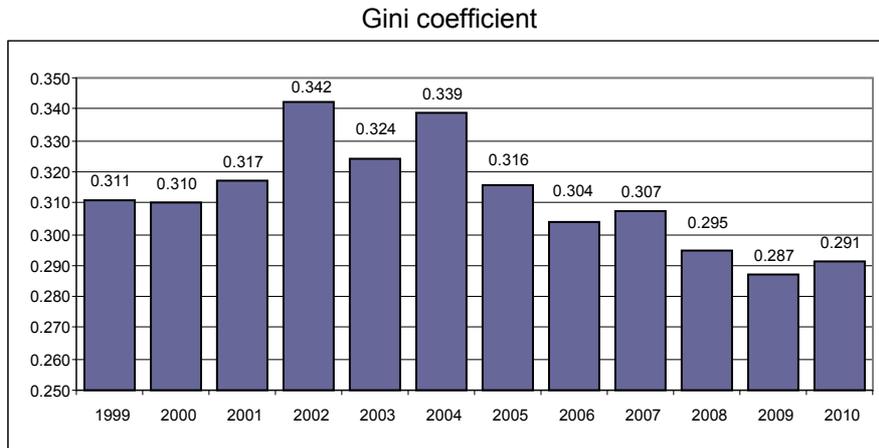
The relative share of the income of persons by decile groups from the total income of all households (Percentages)

Decile group	Years											
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
I	2.8	2.7	2.7	2.6	2.7	2.6	2.9	3.2	3.0	2.9	2.9	2.7
II	4.8	4.7	4.7	4.4	4.6	4.4	4.8	4.9	5.0	5.1	5.2	5.0
III	6.0	6.0	5.9	5.6	5.8	5.6	5.9	6.1	6.2	6.2	6.5	6.4
IV	7.0	7.0	7.0	6.5	6.8	6.6	6.9	7.0	7.1	7.2	7.4	7.4
V	8.0	8.0	8.0	7.5	7.8	7.7	7.9	8.0	8.0	8.2	8.3	8.3
VI	9.1	9.1	9.1	8.7	8.9	8.8	9.0	9.1	9.0	9.2	9.4	9.4
VII	10.4	10.5	10.4	10.1	10.3	10.1	10.3	10.3	10.2	10.7	10.6	10.7
VIII	12.1	12.2	12.2	12.1	12.2	11.9	12.0	12.0	11.8	12.1	12.2	12.3
IX	14.8	15.0	14.9	15.3	15.1	14.9	14.5	14.5	14.4	14.6	14.6	14.7
X	25.0	24.8	25.0	27.2	25.8	27.3	25.4	25.0	25.5	23.9	23.0	23.1

It is known that usually the economic crisis is acting as a catalyst for wealth accumulation and impoverishment in certain social groups. Usually the rich become richer, while the poor – poorer. This is the time of income re-structuring and income differentiation of people - more considerable in the median part of the distribution. To a certain degree this is evident from the indicators of income polarization of population. Thus, for example, in 1999 the income of the richest 10% exceeded approximately 9 times the income of the poorest 10% household members. In 2005 this ration was approximately 10 times, in 2010 it reached 9 times.

The possible conclusion is that the data for the first 10 years of the new millennium indicate an increase in income differentiation and polarization, despite certain fluctuations. In the next years we could expect a steady tendency towards high income differentiation and polarization which is normal for a working economy. Therefore income differentiation should be synchronized with the distributive and re-distributive processes, so that the amount of income corresponds to the skills and professional qualifications of the employed, meaning in fact an increase in labour productivity.

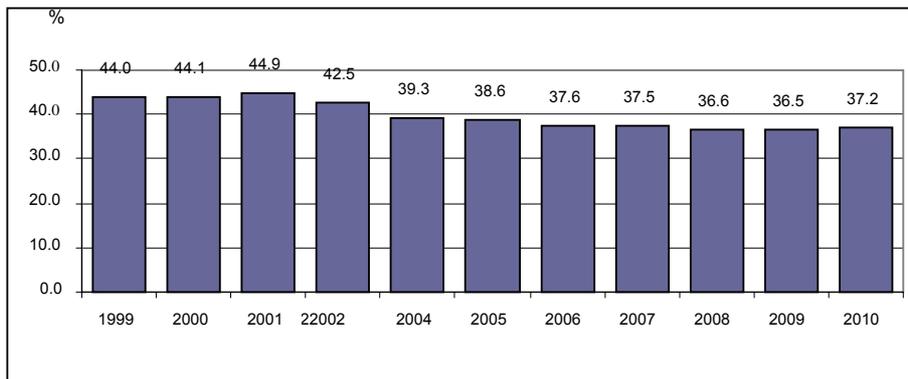
Figure 4



In general, optimal values for the Gini coefficient as for the income polarization are difficult to define since these depend on the degree of market economic development and the specific social and economic peculiarities of a country. In the context of other indicators characterising the overall economic development, the data on income differentiation and polarization could not be one-sidedly interpreted. At the same time the purposeful application of these indicators makes a good basis for a change in the basic economic tools, so that conditions for increasing the productivity of all production factors are created.

Figure 5

The relative share of food and non-alcoholic drinks expenditure in the total household expenditure in the period 1999 - 2010



In the period 1999 – 2010 the household expenditure follow the tendency of dynamic changes in incomes. In 2010 the total household expenditure for satisfying

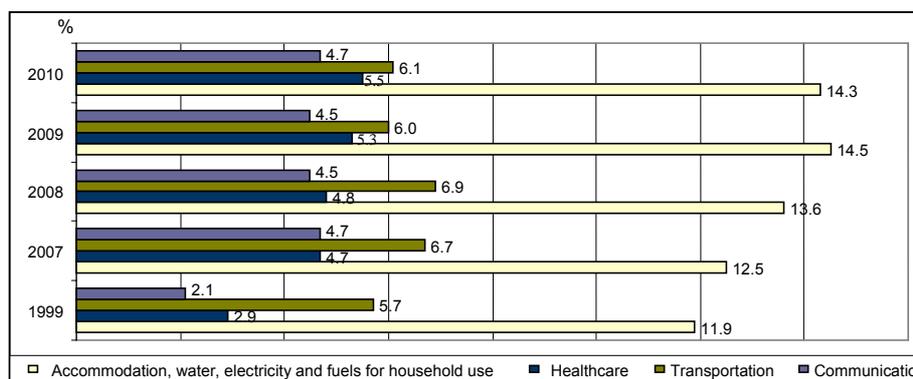
necessitates in nominal terms was 2.5 times higher in comparison to 1999 and it decreased with 1.7% in respect to 2009. The relative share of consumer expenditure in the total household expenditure did not considerable change in the period and approximated 86%. From 1999 to 2001 there was a slight increase in the relative share of food expenditure in the total expenditure. In the following years a process of gradual decline in this share was underway and it reached its lowest value in 2009 - 36.5%, then in 2010 it increased to 37.2%.

During the analyzed period the share of expenditures related to accommodation and consumption of water, electricity and fuels increased from 11.9% in 1999 to 14.3% in 2010. The healthcare related expenditure increased nearly 5 times, and its relative share in the total expenditure increased from 2.9% in 1999 to 5.5% in 2010. A similar tendency is evident for communication related expenditure, as it nominally and relatively increased.

Transport related expenditure increased until 2008, while in 2009 decreased with 26 BGL in respect to the previous year (from 225 BGL to 199 BGL), and almost remained the same in 2010.

Figure 6

The relative shares of various expenditures in the total household expenditure by years



The relative share of expenditure on home furnishing for the period was in the range of 3 - 4%. Expenditures related to leisure time, culture and education were also in the same range of 3 to 4%. Expenditures on alcoholic drinks and tobacco products were higher – from 4% to 5%. The share of expenditure on clothing and shoes decreased in the period – from 5.2% in 1999 to 2.9% in 2010 which was the lowest relative value observed for the period.

The statistical data testify for the changes in the structure of household consumption in Bulgaria. *The tendency towards an increase in the consumption of meat, fish and sea food, fruits and vegetables continues.* In 2010 the average Bulgarian citizen consumed 32 kg of meat annually in comparison to 23.3 kg in

1999 or 20.9 kg in 2001. Among the fruits the most considerable increase was observed in the consumption of citrus fruits – from 6.8 kg in 1999 to 10.8 kg per person on average in 2010. During the period there was an increase in the consumption of vegetables of nearly 10 kg, and in 2010 it was 69.1 kg per person on average.

Table 7

Consumption of basic food products, drinks and tobacco per household member on average (no public consumption included)

Product and drinks	1999	2004	2007	2008	2009	2010
Bread and grain products – kg	140.6	126.6	111.5	109.5	105.9	108.0
Meat – kg	23.3	24.2	27.4	28.3	30.7	32.0
Meat products – kg	12.0	12.7	14.8	15.0	14.3	13.8
Fish and sea food – kg	3.3	4.3	4.3	4.6	4.8	5.3
Milk – l	31.4	24.0	19.6	19.1	19.9	20.9
Yogurt – kg	22.2	26.1	27.3	26.6	26.8	28.9
White cheese – kg	9.6	10.0	10.6	10.7	11.0	12.0
Yellow cheese – kg	2.3	2.4	3.0	2.9	3.6	3.6
Eggs – n	133	134	128	127	131	137
Oil – l	12.2	12.6	12.9	12.7	13.2	14.1
Fruits – kg	42.2	36.8	38.8	39.9	44.3	43.5
Vegetables – kg	58.6	60.7	63.3	65.2	68.4	69.1
Beans – kg	3.9	4.2	3.9	3.9	3.9	4.9
Potatoes – kg	26.9	28.8	27.4	27.2	27.9	31.2
Sugar – kg	8.7	8.9	8.0	8.0	8.1	8.5
Sugar products – kg	1.3	1.3	1.4	1.4	1.4	1.4
Chocolate products – kg	0.8	0.7	1.0	1.0	1.1	1.1
Non-alcoholic drinks – l	24.5	36.0	56.7	55.2	52.2	50.9
Alcoholic drinks – l	19.6	22.6	24.8	24.9	25.5	23.6
Cigarettes – n	1000	931	854	860	778	591

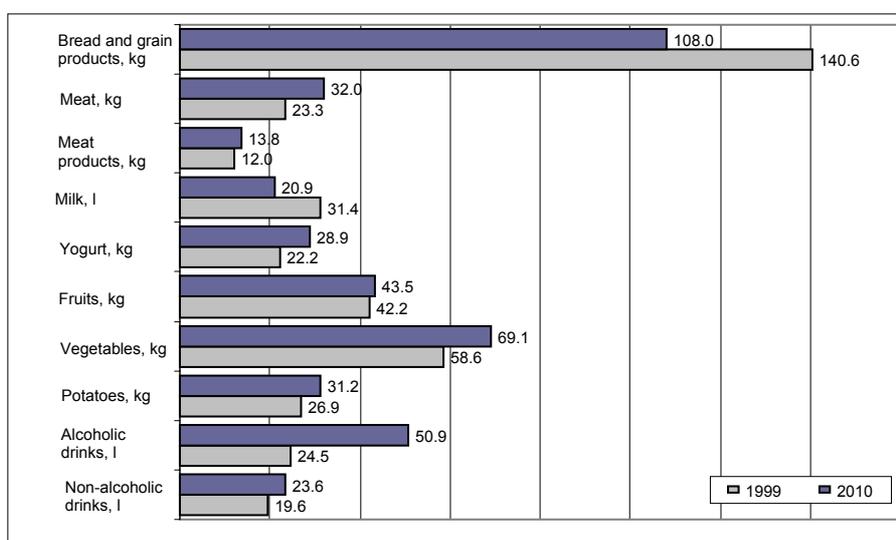
Since the beginning of the observed period the Bulgarian households had reduced the consumption of food and grain products with nearly 33 kg and in 2010 it reached 108.0 kg per person on average. The consumption of cigarettes decreased in numbers from 1000 per person in 1999 to 591 in 2010. At the same time the consumption of alcoholic drinks increased until 2009, and then it decreased to 23.6 litres per household member in 2010. It is important to take into consideration that the physiological norms of consumption¹⁸ differ from the factual household consumption. Thus, for example, in 2010 the factual consumption did not reach the physiological norms for some basic food products that constitute the rational and healthy nourishment per household member on average in terms of: potatoes – with 39.5%, eggs - with 23.9%, fruits - with 59.72%, vegetables – with

¹⁸ Published in the State Paper, issue No.64 from 09. 08. 1994.

17.7%. Exceeding physiological norms was the consumption of: meat – with 11.1%, oil – 2.9 times, meat products – 2.3 times, bread and grain products - with 11.1%. The comparison of data is made between the physiological norms and the factual household domestic consumption, since the consumption in restaurants and fast food bistros was relatively insignificant.

Figure 7

Consumption of basic food products per household member on average in 1999 and 2010



The purchasing power of households in the period of observation (2010 in respect to 1999) increased for almost all basic food products. There was a notable tendency of significant increase in purchasing power in relation to pork and poultry, durable sausages, cheese, apples – about two times in comparison with the beginning of the period. The increase in relation to sugar and white bread was considerably smaller. The consumption of other basic food products also pointed to an increasing purchasing power having median values in relation to product groups mentioned.

The data indicate that the incomes received in the observed period, all other conditions being equal, made possible the higher household consumption of basic food products. This is considered a positive tendency illustrating a certain synchronization between incomes and the market for food products in the country at the present moment. To a great extent this situation is owing to the big supermarket chains and their price promotions for food products, as well as the great variety of low priced food available on the market as a whole. At the same time it is important to consider that the purchasing power in 2010 in respect to the previous years increased at a slower pace in comparison to 2009.

Table 8

The purchasing power of households calculated through the monetary income per person on average*

Food products	1999	2004	2007	2008	2009	2010
Rice - kg	1115	1746	1966	1538	1372	1518
White bread - kg	2130	2208	2528	2513	2997	3103
Pork - kg	266	304	392	421	457	492
Poultry- kg	413	524	710	757	820	894
Sausages non-durable - kg	384	464	628	679	650	653
Sausages durable - kg	152	221	292	316	309	313
Milk	2169	2546	2949	2879	2972	2901
Yogurt - kg	1340	1594	1803	1861	1959	1993
White Cheese - kg	380	546	631	671	752	746
Yellow cheese - kg	242	282	340	338	377	379
Eggs	9942	11 456	14 900	16 038	16981	16 990
Apples - kg	1158	1797	2161	2159	2764	2925
Tomatoes - kg	1704	1746	1826	2307	2584	2230
Cucumbers - kg	1387	1540	1758	2187	2257	2149
Pepper - kg	2057	2014	2145	2201	2641	2530
Beans - kg	736	1118	1270	1178	1217	1307
Potatoes - kg	2485	3160	3539	4432	4458	4516
Sugar - kg	1591	2014	1716	2054	2286	2411

*It indicates the quantity of a given product that could be purchased with the monetary income per person on average in case this income is used entirely for the purchase of that product.

Table 9

The purchasing power of households calculated through the monetary income per person on average at a base 1999 = 100

Food products	1999	2004	2007	2008	2009	2010
Rice - kg	100	157	176	138	123	136
White bread - kg	100	104	119	118	141	146
Pork - kg	100	114	147	158	172	185
Poultry - kg	100	127	172	183	199	216
Sausages non-durable - kg	100	121	164	177	169	170
Sausages durable - kg	100	146	192	208	203	206
Milk	100	117	136	133	137	134
Yogurt - kg	100	119	135	139	146	149
White cheese - kg	100	144	166	177	198	196
Yellow cheese - kg	100	117	140	140	156	157
Eggs	100	115	150	161	171	171
Apples - kg	100	155	187	186	239	253
Tomatoes - kg	100	102	107	135	152	131
Cucumbers - kg	100	111	127	158	163	155
Pepper - kg	100	98	104	107	128	123
Beans - kg	100	152	173	160	165	178
Potatoes - kg	100	127	142	178	179	182
Sugar - kg	100	127	108	129	144	152

At present the data from the household budget survey are used for developing a number of synthetic indicators such as:

- Poverty indicators and official poverty line¹⁹ for the country;
- Median and optimal norm of household consumption;
- Price and income elasticity coefficients;
- Correlation coefficients determining the degree of interdependency between household income and expenditure;

In addition the information about household expenditure is used for determining the weights for calculation the consumer price index. Furthermore the data from the survey are used for developing indicators in the system of the national accounts and energy balances.

The future aims of the household budget survey are related to developing methods²⁰ for:

- Measuring the wealth of Bulgarian households;
- Measuring inflation by types of households;
- Measuring the absolute poverty;
- Measuring the quality of life of Bulgarian households;

Obviously in the next years the household budget survey will be developed in methodological, organizational and technological aspect. It is not very far away from applying Internet in HSB. In addition expert groups of statisticians will be needed very much for analyzing and extracting statistical information. Therefore, the interdependency of information flows, indicators and databases shaping the information systems of the national statistics will be more precisely and clearly illustrated.

Conclusion

In conclusion it is important to emphasize that there are considerable differences among the periods of observation discussed in this paper. These differences arise from purely historical aspects as well as in relation to the methods applied in HBS – sample design and scale, range of respondents, conceptual apparatus and organization of data collection. This situation does not allow for having a precise comparability of data. Nevertheless, the survey data could be useful in adding new knowledge to the social and economic studies on Bulgaria from the past. In general statistics is a science turning the social phenomena into numbers. This task is accomplished when there are conditions for enumerating, measuring, and applying the statistical methods of data analysis. In the context of this assumption we should consider the indicators of HBS over the past 85 years. Apparently in the past decades the living conditions of Bulgarian households have been continually changing under the influence of social factors. Being poorly

¹⁹ The methodology was published in the State Paper, issue No.107 from 27. 12 2006.

²⁰ The first discussions with EUROSTAT experts on developing and implementing these methods into the HBS carried out in the EU member states are already sheduled to begin.

developed in the past, the economy of the country has been transforming into a developing one as the purchasing power of households grows, food consumption replaces basic for more refined products, new communication technologies enter the everyday life of households en masse. Regardless of the historical turns in the development of Bulgaria, the last decade of the XX century and the first years of the XXI century have had a strong influence upon the trend determining the future orientation of the country – growing social differentiation and polarization characteristic of societies with an advance market economy.

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