

A COMPREHENSIVE STUDY ON THE SUSTAINABILITY OF BULGARIAN FARMS

Around the globe, the understanding and assessment of the sustainability of farming enterprises is among the most topical academic and practical issues. At the current stage of development and reforming of European agriculture, the question about the level of sustainability of different types of farming enterprises during the implementation of the European Union Common Agricultural Policy (EU CAP) is particularly topical. However, there is still no consensus on questions such as “what is the sustainability of farming enterprises?”, “what is the relation between the sustainability of farms and agrarian sustainability?”, “which are the critical factors behind the sustainability of farms”, and “how to evaluate the sustainability level of farming enterprises?”. There are numerous frameworks for sustainability assessment, which apply a “universal” approach towards “faceless” farming enterprises, without taking into consideration the environment in which they are developing. However, a great majority of these proposed assessment systems are practically unused by the farmers and governing bodies, as they are too complex and difficult to apply in practice.

The book, titled “Sustainability of Farming Enterprises in Bulgaria”¹, which was recently published by one of the biggest academic publishers in the world, comes as a response to the great theoretical and practical needs for a modern understanding and assessment of the sustainability of farming enterprises. It is among the few existing in-depth studies trying to give comprehensive insight into the sustainability of farming enterprises in the contemporary world. The monograph is a result of long-term research done by an internationally recognized expert on the subject Professor Hrabrin Bachev of the Institute of Agricultural Economics in Sofia, Bulgaria.

In this book the author suggests a practical and holistic approach for assessing the sustainability of farming enterprises in the conditions of EU CAP implementation in Bulgaria. He expands upon his previous research on agrarian governance and sustainability, incorporates the latter developments in the area, and suggests an interdisciplinary, holistic and practical approach for assessing the sustainability of farming enterprises. Particularly, he successfully includes the “new” important governance and institutional aspects in the overall sustainability assessment. The well-designed system for assessing the sustainability of farming enterprises under the conditions that are specific for Bulgarian includes 12 principles, 21 criteria, and 45 indicators and reference values. The presented novel approach is more comprehensive, easy to understand and use in everyday managerial practice than other available systems in the country and internationally.

Furthermore, the author goes beyond traditional theoretical analyses or assessments, based on few aggregate indicators, and applies his approach in a large scale empirical study in Bulgaria. The first-of-its-kind evaluation is made of the integral, governance, economic, social and environmental sustainability of farming enterprises of different

¹ Bachev, H. (2018). Sustainability of Farming Enterprises in Bulgaria. Cambridge Scholars Publishing, 230 p.

juridical type, size, production specialization, and ecological and geographical location in the country. That study is based on original micro socio-economic, behavioral, environmental, etc. data collected from the managers of 190 “typical” farms of different type and location.

The employed hierarchical framework allows not only for a better assessment of the sustainability level, but also for the easy identification of the critical components enhancing or compromising the aspects and overall sustainability of the different types of farming enterprises. Thus, it is a response to the urgent practical needs of decision makers at various managerial levels – from that of the farm up to that of policy making. What is more, the broad and comprehensive field investigation makes it possible to specify the major economic, behavioral, technological, social, institutional, political, ideological, international, etc. factors for the sustainability of farm enterprises, and allows for a realistic forecast of the perspectives for farming development in Bulgaria. Consequently, directions for further research as well as for the improvement of farm management and public intervention in the sector are elaborated in great detail.

The book contains a preface, an introduction, three parts with nine chapters, a conclusion and recommendations, as well as lists of illustrations and tables.

In *the first part* of the book, titled “Framework for Understanding and Assessing the Sustainability of Farming Enterprises”, the evolution of the sustainability “concept” as an alternative ideology, a new strategy, a system characteristic, a constantly evolving category, etc., and the major approaches for the assessment of the sustainability of farming enterprises are discussed. On that basis, a more adequate definition of the sustainability of farming enterprises is suggested as “the ability of a particular farm to exist in time and to maintain its governance, economic, ecological and social functions within the specific socio-economic and natural environment in which it operates and evolves in the long term”. Particular emphasis is placed on the justification of a “new” governance aspect of a farm’s sustainability and on the approach for its integration in the system for the assessment of the sustainability of farming enterprises. After that, a framework for assessing the sustainability of farming enterprises that is specific for the contemporary conditions of development of Bulgarian agriculture is proposed, including a system of adequate principles, criteria, indicators, and reference values.

The second part of the book, titled “Level of Sustainability of Bulgarian Farming Enterprises”, presents a large scale approbation of the suggested framework for evaluating the overall, governance, economic, social and environmental sustainability of farming enterprises of different juridical type, size, production specialization, ecological and administrative locations in Bulgaria. The aspect and integral sustainability levels of the different types of farming enterprises as well as the shares of farming enterprises with different sustainability levels in each category are analyzed in depth.

The third part of the book, titled “Factors and Perspectives of the Sustainability of Farming Enterprises in Bulgaria”, identifies the important ideological, economic, behavioral, educational, technological, institutional, political, international, etc. factors enhancing or deterring the sustainability of farming enterprises in Bulgaria, and estimates the perspectives for sustainable farming in the country.

The book ends with conclusions and recommendations for further research in the area and for the incorporation of the suggested assessment system in the process

of improving the management of farming enterprises and forms of public intervention in the sector.

The study has found out that the overall sustainability of Bulgarian farming enterprises is at a good level, with the highest levels being those for environmental and social sustainability. However, the governance and economic sustainability of farming enterprises are at a borderline low level because of the fact that the governance efficiency and financial stability of holdings are low, which in turn is determined by the low comparative efficiency of short-term inputs supply in relation to alternative organizations and the unsatisfactory profitability of the own capital and the overall liquidity of farms. Simultaneously, despite the fact that the overall environmental sustainability is relatively high, the preservation of agricultural lands and the biodiversity are relatively low because of the insufficient application of the recommended irrigation norms, the high level of soils water erosion, and the lowered number of wild animals on farm territory.

Furthermore, there is a great variation in the sustainability levels of farming enterprises of different types and locations.

Based on the empirical study, the factors that have the most influence on the improvement of the sustainability of the farms in Bulgaria are summarized.

The factors which stimulate the actions of Bulgarian farming enterprises for improving *governance sustainability* to the greatest extent are: access to advisory services; professional training of managers and hired labor; personal conviction and satisfaction; positive experience of other farms; available innovations; financial capability; private contracts and agreements; registration and certification of products, services, etc.

The factors for improving *economic sustainability* are: market demand and prices; received direct state subsidies; market competition; financial capability; participation in public support programs; possibilities for immediate benefits; possibilities for benefits in the near future; tax preferences; possibilities for long-term benefits; integration with the buyer of the product, etc.

The factors for enhancing *social sustainability* are: personal conviction and satisfaction; social recognition of their contribution; immediate benefits for other persons and groups; community initiatives and pressure in the region; access to advisory services; policies of the EU; as well as existing problems and risks in the region.

The factors for increasing *environmental sustainability* are: existing problems and risks on a global scale; official regulations, standards, norms, etc.; existing problems and risks in the region; as well as the policies of the EU.

Currently, the national and European mechanisms for regulation and support, which affect the economic sustainability of the biggest number of Bulgarian farming enterprises to the greatest extent, are: direct area-based payments; national top-ups for products, livestock, etc.; modernization of agricultural holdings; green payments; and support to semi-market farms. At the same time, the impacts of national and European policies on the governance, social and environmental sustainability of Bulgarian farming enterprises is found to be relatively weak.

The book contributes significantly to the field, adding to the theoretical framework for understanding and assessing farm sustainability, increasing the assessment precision and operationalizing the assessment system, evaluating the actual sustainability level of farming enterprises of different type in Bulgaria, and suggesting effective directions

for the improvement of farm management and public intervention for the sustainable development of the sector. The text is also well illustrated with around 70 figures and tables, and the reference list contains a long list of major sources in the field of sustainability studies and sustainability assessment. All this is a testament of the book's research and informative value, good figuration and modern presentation.

This book presents quite well the findings of a “study in progress” summarizing the large body of “current knowledge” and giving readers a better picture of the state of the sustainability of farming enterprises in Bulgaria. Nevertheless, the snapshot sustainability assessments are rarely precise having in mind dynamic changes in the socio-economic, market, institutional, natural, and international environment in which the farms operate. The precision of the assessments could also be questioned since it is entirely based on the “subjective” estimates of managers rather than on the incorporation of other relevant information from the field tests and surveys, statistical and other data, expertise of professionals, etc.

However, the above does not diminish the good academic and practical value of the book. Having in mind the enormous demand for such assessments and the huge progress made by the author, the book gives a good insight into the modern understanding, levels and factors of the sustainability of Bulgarian farming enterprises at the current stage of development. What is more, the well-elaborated approach could be easily adapted and used by farmers and other interested parties in the country and abroad. This work is a must read and further expands upon previous studies by Prof. Hrabrin Bachev and other scholars in that important and rapidly evolving area of research.

All data and findings in the book are presented in an excellent way that meets the high academic standards. At the same time, the book is written in a style that is popular and easily understandable by non-professionals. That makes the study an interesting read for a broad audience – from narrow specialists and experts, researchers, educators, students, farmers, businessmen, administrators, policy makers, professionals, non-governmental and international organizations, to consumers, victims, and the general public.

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