TITLE: SUBSISTENCE FARMING AND ECONOMIC TRANSITION IN RURAL BULGARIA
Part I. The Political and Economic Context of Bulgarian Agricultural Development
Part II. The Subsistence Dilemma
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Executive Summary

Agriculture provides a promising resource in the economic recovery of Bulgaria, but to date its potential contribution has not been realized. This research examined the barriers to expanding agricultural production in two Bulgarian villages during the economic crisis of 1997 (January through March).

Despite different agrarian histories and resources, the two villages exhibited a similar set of interrelated problems that prevented agricultural expansion and threatened to undermine existing production. These included:

**Market insecurity.** Villagers were not sure that they would be able to sell the products they produced.

**Price scissors.** The prices they received for products were often inadequate to cover the costs of purchases.

**Limited technology.** Most families lacked farm machines and cooperatives had only old inefficient ones prone to breakdown.

**Lack of investment.** Villagers lacked the capital to improve or expand production.

**Political insecurity.** Political considerations dominated agricultural policy and changed with each power shift.

**Intimidation.** Villagers attempting to sell products on the market were threatened by strongmen attempting to establish monopolies and control prices.

**Lack of modern knowledge.** Many villagers lacked knowledge of modern production techniques.

The issue that receives the most political attention—land ownership—is perhaps the least significant problem as all types of production, from the private garden plot, to the family farm, to the village cooperative, suffered similar limitations. The research suggests that assistance should be directed instead to substantive issues of production. Once agriculture becomes more viable and profitable, the ownership issues will be resolved by popular demand. The following types of assistance are suggested to expand agricultural production in its various forms:

- Massive investment, both foreign and domestic, in machinery and new technology.
- Establishment of model farms throughout the country where villagers can see profitable activities.
- Development of marketing associations so that producers have more leverage and knowledge in the selling of products.
- Assistance in locating external markets and connecting them to local producers and marketing groups.
- Offering production contracts as a temporary arrangement to increase production.

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Research Context

The period of research (January-March 1997) was a tumultuous one in Bulgaria. When I arrived in early January inflation was exorbitant with prices changing three or four times a day. Some shopkeepers gave up changing prices on items and simply posted signs stating a coefficient by which to calculate the current cost of an item from the price marked on it. Others shut their doors altogether for fear that they could not afford to replace the merchandise they sold.

A major cause of the crisis was the freefall of the lev (the Bulgarian currency unit) caused by diminishing foreign reserves and impending international debt payments. In early January a dollar was worth 700 levs, compared to 70 or 80 a year earlier. By February it was worth 3000 levs. Although the lev subsequently rebounded, it remained around 1500 to the dollar throughout my stay.

Salaries failed to keep pace with inflation or the exchange rate and people saw their standard of living drop drastically. In effect the value of wages nearly disappeared as work-related costs exceeded wages. A midwife who commuted to work in a nearby town did not get paid enough to cover her commuting costs. Her parents subsidized her transportation from their meager pensions. Because she liked her work and wanted to keep her job in case things improved. The state could not afford to purchase fuel imports and a fuel crisis developed. Buses to the provinces became erratic and sometimes ceased operating. Trains provided the only reliable travel, but they did not service every settlement. A bread crisis also developed because the government had sold grain reserves to finance its running deficit.

All this provoked the resignation of the government and a subsequent political crisis. By January 1997 there were daily demonstrations against the ruling Socialist Party, including one violent attempt to storm the parliament building in which MPs were injured and demonstrators brutalized by the police. The daily demonstrations grew more serious and developed into street barricades and work stoppages. Protestors wore signs with the value of their monthly salary in dollars. The Socialist Party relented in February and gave up its right to form a new government. The public situation subsequently calmed, but the economic difficulties continued.

The political and economic crises forced some adjustments in my research. I had intended to work in the villages of Zamfirovo and Dulgo Pole, but after experiencing significant difficulty with transportation during my stay in Zamfirovo I chose a more accessible village (Sinitevo) for the second part of the project. Like Dulgo Pole, Sinitevo has a tradition of intensive market gardening during the socialist era, in contrast to Zamfirovo which had little market production prior to 1989. In other ways Sinitevo and Zamfirovo were remarkably similar—approximately the same size with extensive possibilities for non-agricultural employment under socialism—enhancing the value of the comparison. I chose to slightly reduce my time in each of these villages in order to add another element to the comparison: a short trip to mountainous regions of the central Balkans. This provided
another dimension to the comparison, but the major conclusions are based on the contrasts and similarities between Zamfirovo and Sinitevo.

Agriculture

Bulgarian agriculture had been experiencing difficulties and slow growth during the late socialist period, but it entered an extremely perilous state in 1992 when the first anti-socialist government initiated procedures for decollectivization. Much of the moveable property of the cooperatives was sold off, and cooperative resources like irrigation facilities were left to deteriorate or be stolen. Villagers took back more land for private cultivation but not enough to compensate for the losses in the cooperative sector. The situation subsequently worsened. When the socialists returned to power, they tried to shore up the surviving cooperatives, but their hesitancy to pursue other economic reforms eventually backfired on the cooperative sector as well. The inflation set off by government policies made it impossible for cooperatives to operate. Furthermore, the government’s lack of vigilance in pursuing economic criminals undermined production incentives. Thus cooperative and private producers were in similar straights by 1997.

The comparison of Sinitevo and Zamfirovo revealed the converging negative effects on both cooperative and private production. Zamfirovo is located in the foothills of the Balkan Mountains in northwest Bulgaria, Sinitevo is located in the south-central plain. Their geographical and ecological differences produced different agrarian profiles under socialism. Zamfirovo was characterized by cooperative production of wheat and corn with little private market production. By contrast, the majority of Sinitevo households were involved in intensive production of greenhouse vegetables for early private markets.

Both villages continued these activities during the post-communist period. Zamfirovo villagers took over more land for subsistence production, but only a few villagers attempted private production for the market. In fact, the closest thing to private production under socialism—growing strawberries through household contracts with the cooperative—stopped altogether. Most villagers signed a large part of their land over to the reconstituted cooperative farm which continued to concentrate on wheat and corn, much of it used by the local population or the cooperative itself.

The cooperative in Sinitevo, by contrast, was hardly operating by 1996. Most villagers had taken over their land for private production, although they devoted little time or attention to this land. They simply paid tractor and combine owners to cultivate and harvest the fields mechanically while they concentrated on the market gardening they had pursued before, most of it done on the land surrounding their houses. Villagers invested heavily in inputs such as water, fertilizer, labor, plastic for greenhouses, and fuel to heat them. For most of the 1990s they were rewarded with significant profits.
In the early years of the transition, then, the differences between the two villages are revealing. Areas with comparative advantages were more likely to tap the potential of private production. Sinitevo’s location in the plain with rich land, warmer climate and abundant water provided greater promise for profit. Also, the comparison shows that experience under socialism is important at least in the short run as areas with greater market participation under socialism were the ones to take fuller advantage of private possibilities after 1989. Those without this experience reproduced cooperative models. Of course this history itself is connected to the ecological differences previously mentioned.

Finally, the contrasts suggest that issues of land tenure can, to some degree, resolve themselves. Despite the fact that both villages were subjected to the same laws, which alternated between attacking and supporting cooperative arrangements, the outcome was different in each case. This is because villagers pushed for private control where it was feasible and where they had more potential resources to finance it, while villagers in areas with moderate possibilities continued to support cooperative models. The average landholding in Sinitevo was also greater than that in Zamfirovo making private cultivation perhaps more attractive. The mountain villages I visited tended to lack cooperatives. They specialized in animal husbandry and the benefits for cooperative cultivation were few. As I have argued for late socialism, the actions of local villagers strongly influence the outcome of national policy. So we should not be so quick to see the continuation of cooperative cultivation as merely a socialist survival or the continuing influence of old communist bosses. Where cooperatives continue they may offer advantages. The fact that they are missing elsewhere is testimony to this interpretation.

These differences were the intended focus of my research. While drawing these comparisons, however, I was surprised to find significant similarities across the villages I visited which limited agricultural expansion and threatened to undermine existing production. In Sinitevo I heard the same complaints from market gardeners that I heard from cooperative farmers in Zamfirovo and animal raisers in the central Balkans. These problems are the major ones limiting agricultural development and the expansion of both private and cooperative cultivation.

Everywhere villagers complained about the lack of economic stimulus for agricultural production. In short the expenses of production, excluding labor, approached or exceeded the return on the product. Villagers provided itemized accounts of their production enterprise to convince me. In Zamfirovo, the land is not extremely fertile, so any production requires extensive application of fertilizer. Herbicides and pesticides are also needed to support crop growth. Since wheat and corn are the primary crops, farmers also need mechanization and most villagers do not own machines. Indeed the small amounts of land owned hardly merit major technological investments. Machine cultivation, then, requires the farmer to hire one of the few tractor owners in the village at high rates. The cost of fuel is extremely high since there is little domestic production, so even the
cooperative farm, which owns machines, must expend huge sums for the fuel. Several villagers believed the cooperative farm would not last much longer because it lacked the money to buy the expensive inputs. Furthermore, its machines were too old to do the job and there was no money to replace or even repair them. To save needed funds the cooperative and private farmers alike skimped on fertilizer, herbicides, and pesticides. Consequently, the output suffered. One villager predicted that the wilderness would soon take over the fields because people were not using chemicals, and indeed there had been a field mice infestation in the wheat fields the previous year.

With declining outputs the value of production failed to even cover the costs after cutbacks. This was exacerbated by low purchase prices and poor marketing networks at the village level. The prices villagers received for their products was low due to a combination of factors. First, there was low demand for agricultural goods because of the depressed economy. Furthermore, most villagers and cooperatives had no experience with capitalist markets—they did not know where to search for buyers, especially in relation to export, and as a result were at the whim of customers who came through the village. There had been two purchasing points for milk in 1995 in Zamfirovo, but by 1997 one had closed because the company it represented went bankrupt. This left villagers with only one place to sell their milk and they had little choice about the price they would accept. Transport costs were too extensive to encourage more aggressive marketing efforts and villagers lacked time for daily market trips. Villagers also reported intimidation and racketeering so that efforts to market agricultural goods in town were thwarted by strongmen who wanted to control the market in certain goods. Finally, villagers had little storage facilities and were in too great financial straights to store products and wait for optimal prices.

Ironically, the market gardeners of Sinitevo with many years of experience in the market reported similar constraints. In 1997 they were planting their greenhouses as usual but they were very anxious about the future. They were concerned that strapped consumers would not pay the high prices for their early vegetables, which is where they made the most profit. The prices later in the season were too paltry to provide a profit alone. The cost of plastic to cover their greenhouses had skyrocketed and many doubted they could even recoup the cost of it. Most however, had stores left from previous years. The other major costs were fertilizer and energy. In the plains they lack the forest wood resources of Zamfirovo and are forced to rely on coal to heat the greenhouses during the late winter. This can be very expensive. They have abundant underground water, but it is quite deep and must be pumped to their fields by electric pumps which are costly to run. The land is theoretically fertile but they concentrate their production on small plots near their house, getting two or three crops from the same land per season, every year. In short the land has long been exhausted and produces only as much as it is fertilized.

The combined impact of increasing costs threatened to reduce production in Sinitevo because, as one villager put it, "before, we were basically raising this stuff without overhead. The inputs were
so cheap that most of the money we got was clean profit. Now I don’t think we’ll cover our costs. Before it was worth all the hard work, but at these rates I’m not sure.” The profit from vegetable production was used to help finance the payment for machine services on their private wheat fields, so that most families could afford to cultivate them privately. This was also threatened by the increasing prices of cultivation and the specter of declining profits from market gardening.

In such a context the question of expanding production became absurd for both private producers and cooperatives. It was made more absurd by political insecurity. Policies and possibilities changed with each political power shift, so that long-term investment or planning were impossible, and while agriculture was a primary target of political manipulation, politicians actually showed little regard for agricultural production or local needs. Left to their own devises, villagers lacked the necessary investment resources to modernize production and with the limited prospects for profit they were extremely hesitant to take on debt, especially since their home was often the only acceptable collateral they could offer. Cooperatives could not get loans at all.

With other sources of income drying up, more labor investment could have compensated for the lack of capital, but the private vegetable production in Sinitevo was already consuming extensive manual labor, and with market uncertainty more production was not necessary ideal. In terms of field crops like wheat and corn, even massive increases in agricultural labor could not replace machine cultivation. At the same time, insecurity and the lack of investment resources limited innovations such as the development of new crops.

**Stopping the Spiral of Decline**

Bulgarian agriculture was certainly in need of attention under socialism, but the attention it got after 1989 was hardly helpful. Instead, even existing resources were squandered with little concern for the actual conditions and needs of producers. As a result, agriculture now requires extensive investment in order to rebound and fulfill its economic potential. It is also clear that agricultural decline is tied intimately to the general economic health of the country and that a turnaround requires stabilization throughout the economy. Changes are needed to halt the inflation that drives up the cost of production and depresses demand for agricultural products. There seems to be some progress toward macro-economic stabilization with the recent installation of a currency board. I will offer here, then, some specific ideas about agriculture.

New machinery and other inputs could be provided to farmers against future deliveries of produce through production contracts with either the state or private purchasers. If purchasers are willing to share part of the risks, and villagers are more certain of a market for their goods at reasonable prices, then they are more likely to expand production. As villagers acquired ownership of the equipment through delivery of products, the contracts would become less important and could be eliminated. The state or international aid organizations could assist by helping villagers and
cooperative farms to develop marketing associations that would give them more control in the sale of their products. In the absence of this, villagers and cooperative leaders could use general guidance and education in how to locate potential markets for their products and how to read the market as a source of potential new products. Finally, new products and techniques could be spread most effectively by the establishment of model farms. There the viability and profitability of particular activities could be demonstrated to villagers, who are more convinced by actions and results than they are by advice.
Part II:
The Subsistence Dilemma

Executive Summary

One of the pervasive characteristics of socialist economic development in eastern Europe was the continued dependence of these populations upon subsistence agriculture. Whether they tapped it directly through part-time farming or indirectly through social relations with farmers, urban residents and rural factory workers alike often depended upon subsistence production to redress the shortage of consumer goods, the low wages paid by the state, and the generally poor socialist distribution system. Following the communist collapse, rampant inflation and unemployment rendered subsistence farming even more essential. Yet, subsistence farming has received little direct attention in analyses of the transition. This research examined the role of subsistence production in the economic transition of Bulgaria through anthropological fieldwork in two Bulgarian villages.

The results suggest that subsistence activity accounts in part for the ambiguity of transition developments in Bulgaria and the ambivalence of local populations to these developments. The continuation of subsistence production has made it possible for people to survive the privations and austerity associated with the transition, but this response limits other changes by restricting innovation and entrepreneurship, especially investment in private commercial agriculture and alternative rural enterprises. In short, the socialist legacy of subsistence agriculture has produced a contradictory impasse in the transition in which subsistence cultivation is both essential and paralyzing: it makes change tolerable even while slowing it down.

The differences in the two villages examined, however, suggest that villagers will transfer time and resources from subsistence to market production when it offers an attractive return. Thus, while subsistence is a problem of sorts, the solution is not to discourage or restrict it. To do so in the current economic crisis would be catastrophic and likely to produce an extreme political backlash. Rather, the solution lies in general economic stabilization. Lucrative employment is needed in the industrial and service sector so that a greater percentage of the working age population no longer depends on subsistence production and can provide a market for other agricultural producers. At the same time agricultural policy should be directed toward supporting subsistence production, the excess from which can be sold on the market. Access to modern machinery appropriate for small scale production would be helpful in this regard. At the same time, villagers need guidance in marketing these products. Specifically, they could use assistance in locating markets and developing market cooperatives to cut expenses such as transport. Increased protection against racketeers attempting to monopolize sales would also be helpful. Subsidies may be required as a temporary measure so that farmers can make a profit and consumers afford to purchase their produce, but they should become less essential as the economy stabilizes and production expands, especially if new markets can be developed.
Background

Under socialism Bulgarian villagers raised their own fruits and vegetables, kept animals for their meat and dairy needs, and tended vineyards sufficient for a year's supply of wine. The products of subsistence production were essential not only for the producers, but for the country as a whole since villagers not only provided for their immediate families, but also supplied urban relatives, town markets and even state procurement agencies. This national significance was reflected in the integration of subsistence production into the official state sector as the state supplied increasing amounts of material and technical support to subsistence activity. Private wheat plots, for example, came to be cultivated almost entirely by state machine-tractor stations which provided mechanical plowing, planting and harvesting at reasonable rates. "Excess" subsistence production then made its way back into the state sector through purchase, and this granted household subsistence production important concessions from the state, including official reforms to facilitate the expansion of household production.

Scholars, especially anthropologists, have noted that as socialist states displaced the institutions of civil society, the household acquired additional primacy as a bastion of autonomy. Of course, the household itself was also infiltrated through state regulations, and even at times by intra-family suspicions. Still it remained perhaps the most independent social unit and provided a space for limited resistance to socialist regulation. One of the consequences, however, was what can be called the atomization of households, whereby co-resident groups shirked other communal and societal obligations to focus on their own survival and improvement. Thus, while some studies have documented cooperation between rural households as a redress to socialist difficulties, such arrangements actually declined under socialism. Such atomization may be a significant factor in the transition, directing the attention of villagers toward household economic strategies independent of market activity and other capitalist relations. Indeed, in this scenario, the essential "individual" of would-be capitalist democracy remains secondary. Thus, while socialism failed to convince its citizens of their collective interests, it created an important intermediate level of economic action between the ideal communist collective and the maximizing capitalist individual--the household. Subsistence agriculture was perhaps the most important activity reinforcing the rural household as an economic unit. The point is that the household was an important unit in the Bulgarian economy and that subsistence farming was both cause and effect of that significance.

The problem, however, was not only a socialist creation. It was exacerbated by Bulgaria's pre-socialist history and its post-socialist development. Prior to World War II the country was populated primarily by undifferentiated small-holders, so their contemporary descendants are usually entitled to only small amounts of land. Without alternative incomes, investment resources, or even a land market there is little else villagers can do with their small parcels besides subsistence. The country's pace of economic reform after 1989 hardly opened any new alternatives. Since one of the objectives
of transition was the restitution of property rights, subsistence farming got a boost as people gained
access to more land just as they were losing their jobs or experiencing a decline in the purchasing
power of their wages/pensions. Beginning in late spring 1996 the mounting pressures of debt
repayment in a context of continuing economic stagnation and limited privatization provoked a
spiralling crisis evinced in plummeting currency values (a 300% drop against the dollar) and revived
inflation (20% in June alone). International financial institutions demanded the closure of
unprofitable enterprises, which raised unemployment and drove additional subsistence activity.
Increased subsistence possibilities helps people weather the storm, but such security limits the need
to produce for the market or purchase from it, dragging down economic development. Certainly
there are other factors driving contemporary Bulgarian villagers to the market other than food and
wine, but their high degree of self-sufficiency is a factor limiting (rather than obviating)
marketization and capitalist transition.

Research Context

This research examined the interaction between subsistence and market production by
comparing household economic strategies in two villages—the village of Zamfirovo in the northwest
and the village of Sinitevo in south-central Bulgaria. The former is located in the foothills of the
Balkan mountains. The latter is situated in the rich plains of the south where the warmer climate
allowed extensive market gardening of vegetables during the late socialist period. I also made shorter
trips to the mountainous regions of the central Balkans where animal husbandry dominated and
agricultural production was limited.

The village of Zamfirovo is not ideally suited for agriculture: the terrain is hilly, soil is not
very fertile, and water resources are unreliable, especially during the hottest part of the growing
season. Still the village had a significant acreage of arable land, and managed an extensive
cooperative farm under socialism. It specialized in corn and wheat production, performed primarily
by machines. The farm also had vineyards and enjoyed some notoriety for its strawberry production,
accomplished primarily through contract arrangements with village families. Villagers had access to
many surrounding forests for fuel and pasturage. Non-arable land in the hills was also used for
pasturage. The cooperative farm utilized some of these pastures for its several sheep farms, but its
dairy cows were fed in stalls and not pastured.

The village of Sinitevo is more advantaged agriculturally. Situated in the southern plain next to
the Maritsa river, it has plenty of flat, arable land and plenty of water. The climate in the south is
also milder with shorter, warmer winters. This gives the region a strong comparative advantage in
the production of early vegetables for the market, and during late socialism the villagers took
advantage of reform programs to begin market gardening. Nearly every inch of land around village
houses was cultivated and covered with plastic greenhouses producing tomatoes, cucumbers or
peppers.
The research included extended interviews with 10 households in each village. In each case I strove to include a variety of household types: three-generation extended family households, retired couples or widow(er)s, and couples with child(ren). Having previously carried out extended fieldwork in Zamfirovo I selected 10 households for which I had data on economic activity under socialism. In Sinitevo, I began with my landlord's household and used the snowball technique, acquiring suggestions, references, and introductions from one household to the next. Interviews addressed the exact involvements of the family economy: sources and amounts of income, extent of subsistence production, degree of market involvement (buying and selling), and the disposition of subsistence products (who gets what). After eliciting the current profile of household activities I asked household members whether or not they had ever considered various economic activities not included in their accounts of the household economy: market gardening, commercial agriculture, and small business enterprises. I also asked interviewees how much subsistence farming they would like to do and why.

Subsistence and the Market

Preliminary analysis of the interview data suggests that subsistence activity limits the potential for expanding market production, but that it can also provide a source of market produce. The limits were found in several areas. First, the time spent on subsistence is a potential drain on commercial production as nearly all village households in both villages cited the lack of time and labor as a major reason why they did not engage in, or expand, market production. The time devoted to subsistence activity is extensive, especially since it tends to be labor-intensive work, often involving cultivation by hand (or with animal power). Almost all garden plots and vineyards are farmed manually with intensive weeding and even manual irrigation. The cultivation of subsistence grain plots was mechanized in most areas of the country through a system in which villagers paid cooperative and state machine stations for machine services. In areas where cooperatives have survived this arrangement has continued and elsewhere the same system has been taken over by private machine owners. However, as the price of fuel increased, villagers were returning to manual cultivation or animal power. This means they are spending more time cultivating less land for less output, leaving less time for market production. Increasing their livestock holdings has the same effect. Villagers often pool their herds by neighborhood and take turns going to pasture with them. But every increase in the number of sheep or goats means more days at pasture which takes time from other activities. So the supposed potential of unemployment to provide workers for commercial agriculture is not realized—much of their time is absorbed into expanding subsistence production.

Expanding subsistence undermines domestic market demands for agricultural products, which depresses prices for farm produce and contributes to opening the price scissors against villagers. So subsistence becomes part of a vicious cycle: as villagers abandon the market because the prices they receive fail to produce a profit, their retreat into subsistence further depresses prices for farm goods.
relative to other commodities. The consequences become more significant as villagers expand the
types as well as the amounts of subsistence production. Not only do villagers invest in more animals
to satisfy family milk and cheese needs, but they invest in new crops they previously did not grow.
Nobody in Zamfirovo raised sunflowers in the late 1980s, but by 1997 nearly every household had a
sunflower plot from which they satisfied part of their cooking oil needs. More amazingly, even the
cooperative seemed to follow this trend. Since the directors found it difficult to turn a profit they
began investing in goods they could return to their members in kind, like sunflower oil. They turned
their wheat over to the village bakery which then provided bread to cooperative members at reduced
prices. The withdrawal of agricultural producers from the market operates to prevent prices from
dropping to a point that would really stimulate demand.

When villagers concentrate on subsistence they have less cash for purchasing other goods.
Most of the stores in Zamfirovo were closed by 1997 and the remaining ones had little to sell. The
stores looked worse than during socialist times, but the problem was not shortage, it was lack of
demand. Sinitevo stores had more supplies, but even there the sales clerks said villagers were not
buying anything. What was more evident in Sinitevo was the expansion of barter arrangements with
villagers exchanging milk for eggs or meat for grain.

Both villages showed signs of withdrawal from the market, although it was more complete in
Zamfirovo. Zamfirovo residents neither sold nor bought goods on the market, and they made of
point of telling me so. Sinitevo residents continued to sell their vegetables and were planting their
greenhouses for the coming spring, but they had stopped purchasing anything except essentials, such
as coal and agricultural inputs. Zamfirovo was a poorer village, but it had a greater diversity of
resources, so subsistence could be even more complete than in Sinitevo. Although located in the
foothills, Zamfirovo had adequate arable land plus it had mountains and forest which provided fuel
and pasture so that villagers could grow vegetables as well as grain for consumption and still raise a
significant number of livestock. Furthermore, they did not have to buy expensive coal or oil.
Sinitevo residents had to feed their animals grain or fodder so their field size limited meat production
and consumption. They invested heavily in raising turkey's which consumed less grain than larger
livestock, but households also raised pigs and goats, although they complained that their grain output
did not much exceed what their animals consumed. They needed coal to heat their homes as well as
the greenhouses. Their cash needs were thus keeping them in the business of market gardening even
as potential profits appeared to decline.

The dependence on subsistence and general economic insecurity have also diminished the
possibilities for a land market. This in turn makes private commercial farming more difficult. Most
villagers are small-holders, so if they use land for subsistence they are not going to have much to
sell. The more they use, the less they can part with. Thus increasing subsistence activity may prevent
the process of land concentration in the hands of would-be entrepreneurs.
Cultural factors exacerbate the significance of the subsistence dilemma through the importance of kinship. Villagers not only produce for themselves but for close relatives in towns and cities as well, especially children and grandchildren. Consequently, problems elsewhere in the economy increase demands on subsistence production which can then contribute to agricultural decline as outlined above. There is some evidence that Bulgarian villagers began to cut back on the number of relatives they provisioned during the recent crisis, but they had to provide the remaining network with even more resources, so kinship contributed to the general privileging of subsistence over market production.

**Taking Advantage of Subsistence**

Given the importance of subsistence for the very survival of Bulgarians (rural and urban) it is obvious that the solution to the subsistence dilemma is not to attack subsistence. The first step should be macro-economic stabilization. Job growth and a halt to inflation are needed to relieve the demands being placed on villagers for subsistence. Stabilization would also help assure the continuation of market production in places like Sinitevo where it is being threatened by the skyrocketing costs of inputs.

Following stabilization, agricultural policy should focus on ways to increase the output of continuing subsistence production and to capture the excess production for the market. This can be achieved through a dual program of technological investment and marketing assistance. Policies should provide investment for machinery appropriate for small-scale cultivation. Villagers do not want to do backbreaking work; they will do it to subsist if necessary, but not for meager profits. With mechanization they could produce more with less effort, with the excess available to market. Moreover, villagers are more likely to make minor investments if they are connected to their subsistence activity where the benefits are not determined solely by uncertain market conditions. Marketing assistance will then be needed to assure that expanding subsistence activity is sold in a way that will encourage further expansion. For example, marketing associations could give producers more clout in the market and alleviate the proliferation of middlemen that diminish the profits for producers without the added time demands of direct marketing. Production contracts could provide a way to both finance investments (against subsequent production) and insure villagers a market for their produce at a fair price. Temporary price subsidies for agricultural goods should be considered to stimulate the expansion of market production. They could be eliminated as production rebounded. At the very least, agricultural extension services should be provided to advise villagers on markets and marketing.