# AGRICULTURA UNIVERSITY OF PLOVDIV FACULTY OF ECONOMICS

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# COMPARATIVE ANALYSIS OF AGRICULTURAL POLITICS IN BULGARIA AND KOSOVO

Author's ummery

Dissertation for awarding the educational and scientific degree "doctor" at scientific specialty

"Organization and management of production

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> Plovdiv 2020

Phd thesis consists 124 pages, including 29 figures. There are used 109 literary sources. The dissertation work is discussed and forwarded to defense by department "Management a marketing" at Agricultural University – Plovdiv.	ıd
The defense of the dissertation will be held on yearhours in ha	11
of Agricultural University Plovdiv.	
All materials are available to those interested in the library of the AU – Plovdiv.	

#### I. GENERAL DESCRIPTION OF WORK

The development of Bulgarian and Kosovo agriculture is characterized by very similar features. Forced collectivization is taking place in both countries, an attempt is being made to centrally manage the industry, economies and trade are being closely integrated with those of the Soviet Union and the countries of the Council for Mutual Economic Assistance. All this does not make it possible to use the favorable natural and climatic conditions for agricultural development of these small European countries. They entered a period of deep socio-economic and technological crisis in the 1980s.

The two countries embarked on radical reforms in the transition to a market economy - a policy of transformation and European integration after 1989. Universal privatization and liberalization of economic activity, modernization of the system of social regulation, support of the branches and adaptation of the countries to the new world economic order are undertaken. As a result of these policies, an unprecedented transformation of the agriculture of both countries is taking place.

Bulgaria is going through a painful but successful transition to a fundamental transformation, which ends with full integration into the European Union and adaptation of the common (agrarian, regional, etc.) policies of the union. Kosovo is the youngest European country to transform its economy into one of the fastest growing in the Balkan region, and its agricultural policy is aimed at stimulating local production and meeting national food demand.

The "Bulgarian" and "Kosovo" models of agricultural transformation also have a number of specifics related to the scope of the reforms, the manner of their implementation, the socio-economic results of the implementation of policies, the problems and challenges facing both countries at the present stage.

The development is an attempt for an in-depth comparative analysis of the agricultural policies of Bulgaria and Kosovo. First, an analysis is made of the development of agricultural production in both countries. The policies of land reform, farm restructuring, state support, agricultural regulation, policies related to the trade regime and international trade in agricultural products are analyzed. Finally, an assessment is made of the possibilities for improving the competitiveness of agriculture in both countries.

The agricultural sector has specific features that distinguish it from other economic sectors. This sector is often the only livelihood alternative in the rural areas of the countries. The sector produces goods and services that are part of food, production itself has a direct impact on the environment, as well as it on it. Agriculture is one of the main sources of greenhouse gases, employment and income for the population as well as production directly affected by nature. All these characteristics of the sector determine its strategic importance for the development of the regional and national economy in the country. Sustainable agricultural development requires an active and systematic development policy,

In Kosovo, agriculture has traditionally been important for the development of the local economy. After the war, the government sought to develop this sector, realizing its important role. With the help of the World Bank (WB), Kosovo is developing and pursuing an investment policy for the development of the agricultural sector. In the context of negotiations for the country's accession to the EU, the Kosovo government has currently signed a Stabilization and Association Agreement with the EU, and the country seeks to harmonize its agricultural policy with that of other EU Member States. Bulgaria is a country that has taken this path and can be an example of knowledge transfer in the field of Kosovo's agricultural policy in the context of the current conditions in which the country finds itself. All these arguments defend the thesis

Purpose of the study:

To analyze in a comparative plan the agricultural policies of the Republic of Kosovo and the Republic of Bulgaria and to transfer and propose approaches to improve the agricultural development policy of the Republic of Kosovo.

Stages of the research:

- ➤ Conceptual explanation of the essence of the agrarian policy as a tool for development of the agrarian sector;
- ➤ Literary review of the approaches, policies and measures for promotion of the agricultural sector as an important sector for the national economy of the Republic of Kosovo and the Republic of Bulgaria;
- Adaptation of methodology for research, analysis and evaluation of the agricultural policy of the Republic of Kosovo and the Republic of Bulgaria;
- ➤ Collection, structuring and synthesis of empirical information on the impact of the agricultural policy of the Republic of Kosovo and the Republic of Bulgaria on the agricultural sector of the two countries;
- ➤ Identifying the directions for adaptation of the agrarian policy of the Republic of Kosovo, through transfer of good policies by the Republic of Bulgaria.

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### I. ESSENCE OF AGRICULTURAL POLICY

### Farm policy - Agricultural industrialization policy

Agriculture is the oldest branch of the economy, but it is relatively slow to implement industrial methods and technologies. This is due to the high dependence of agricultural production on biological and soil-climatic conditions and factors.

Mainly for these reasons, the transition to the machine stage of production in agriculture began much later than industry. Even now, when in machine-building and other industrial enterprises the so-called "Uninhabited technologies", a number of agro-technical activities in the cultivation of crops and animals are still carried out manually.

The beginning of industrialization in agriculture was set in the second half of the XIX century, whenthe machine industry is developing relatively fast. However, its widespread implementation began only in the 1930s in the United States, Canada and England. In most European countries, this process unfolded later (in the 1950s), which is explained by the underdevelopment of their industry, the predominance of small-scale agriculture, the existence of pre-capitalist forms of ownership and land management.

The industrialization of agriculture is carried out in a number of directions: electrification, mechanization and automation of production processes; use of compound feed, mineral fertilizers, chemical and biological plant protection products; development of selection and breeding; construction of reclamation systems, silos, fruit storages and other sites.

In the process of placing agriculture on an industrial basis, new branches are emerging: agricultural and biotechnological machine building, agrochemical, fodder and food industries.

Recently, resource-saving technologies and, above all, those withrelatively low energy consumption. Efforts are being made to constantly increase agricultural production and improve the quality of production through the rational use of soil, solar energy, the physiological potential of plants and animals, and the protection of the natural environment.

The industrialization of agriculture is also carried out by increasing the education of agricultural personnel. Thus, in 1964, only one-third of farmers in the United States had secondary education, and by the end of the century, the share of middle-class farmers exceeded three-quarters.

With the development of agricultural industrialization production is constantly increasing its intensification and efficiency, the quality of the production is improving. Usually, the intensification of agricultural production is defined as the continuous improvement and concentration of used tools and objects of labor on the same land area in order to increase crop yields and animal productivity.

In the initial stage of the intensification of agriculture, relatively large material costs are incurred for obtaining a unit of agricultural production. It seems that there is a "law of declining soil fertility", taking into account the fact that any additional investment of labor and capital in the land is not accompanied by an adequate increase in the yield of the agricultural product. Sometimes this yield decreases relatively. The practice shows that the mentioned "law" can have relative and conditional effect only during periods when no qualitative improvements are made in the applied agricultural machinery.

During the last two decades of the XX century in the agriculture of the EU member states, new types of tractors, combines and other equipment with improved technical characteristics are used, as well as electronic and biotechnology, complex and complex mineral fertilizers, biological products, through which Crop yields and livestock productivity increase significantly.

The law on the concentration of production (its concentration in ever larger enterprises and the increase in the volume of production) is becoming more and more fully manifested. The processes of centralization of the existing capitals and their gradual merging into one whole are also unfolding.

The industrialization of agriculture accelerates the development of organizational forms of labor - division and cooperation of labor. On the basis of the division of labor, direct technological, economic and organizational relations between producers, enterprises and branches of production are established and developed, the available workers and specialists are increasingly united, the field of collective, combined and public labor is expanded.

With the development of social productive forces, the division of labor between individual peoples and nations deepens and expands. Powerful transnational and multinational companies for the production and trade of various food products are being formed1.

Through cooperation, concentration and centralization of labor and production, capital is united and conditions are created for the rational use of hired labor. Economical use of material resources is achieved, the volume of production is constantly increasing and the profit rate is increasing.

The industrial reorganization of agriculture strengthens the social character of labor, increasingly socializes agricultural production. This deep and comprehensive process manifests itself mainly in the form of:

- strengthening migration and mobility of the rural population;
- expansion of the internal and external market of agricultural goods;
- separation of the domestic industry (bread, dairy, canning, weaving) and formation of independent industries;
  - synthesis of agriculture with industry.

### **Advantages of large farms**

It has been proven that with the development of their productive forces and mainly of technology, the advantages of large agricultural holdings increase. In each farm there is a common, ie. direct social work and concentration of land. Machines, chemicals, mineral fertilizers, etc. are applied, which leads to an increase in production volume. Gradually, these advantages of large farms became a law of commodity production.

This law can operate only in the conditions of the commodity economy and its inherent competition between commodity producers. It is impossible to apply it to holdings that are not yet involved in commodity production and are not subordinated to the market. However, the forms of concentration of agricultural production should not be viewed unilaterally. The law on the economic superiority of large-scale agriculture over small-scale agriculture has certain limits and operates differently in different sub-sectors and types of production. The forms of its manifestation are change with the development of the intensive factors of agricultural production and the improvement of the social organization of labor.

Under modern conditions, the size of the farm is determined by the following criteria:

- quantity of arable land;
- volume of fixed assets:
- number of employees in production;
- level of specialization and cooperation of production;
- quantity and quality of the produced products.

The advantages of large farms are especially prominent in the modern economic development of industrialized countries. According to official US statistics, each large American farm has about 7-8 thousand decares of land, annually employs about 40 workers and sells products for over 100 thousand dollars. In the countries of the European Union, large farms are those that have 1000 decares of land or 60 cows, 400 pigs for fattening, 50 thousand birds for meat.

Large farms occupy a relatively small relative share in the total number of American and Western European farms, but provide a significant part of the production.

At the end of the twentieth century in the United States, large farms accounted for only 16% of the total number of farms in the country, but provided the majority of commodity production. Approximately 6 percent of American farms manage 28 percent of farmland and provide nearly 60 percent of the value of U.S.-produced rural land.livestock production. In EU countries, 10-15% of farms supply half of their agricultural production to the market. In Japan, large landowners (with 300 decares of land each), who make up 10 percent of the country's farmers, own 20 percent of the arable land and use the labor of 25,000 employees. Obviously, the nutrition of the population and the export of food to the market in the USA and the EU member states is provided not by the small, but by the large farms equipped with modern equipment.

**First.** In large farms with large tracts of land, powerful high-performance tractors, combines and other machinery, including aircraft, equipped with electronic systems can be used. With them, any agro-technical event could be carried out qualitatively and at the appropriate time. Significant savings are made on live labor, fuels, seeds and other materials. There are almost no losses during harvesting and storage of the crop.

**Second.** Relatively more financial resources can be accumulated in large agricultural holdings. This allows for the training and recruitment of qualified specialists, the gradual introduction of efficient industrial technologies and the closure of the cycle of production, processing and marketing of agricultural products.

**Third.** Modern refrigerated warehouses and granaries can be built and maintained on large farms. The resulting products can be stored all year round and sold during the seasons when prices are highest.

**Fourth.** In large agricultural holdings, a relatively higher average profit is obtained. They also achieve significantly better economic results.

According to studies conducted in Germany, the costs of maintaining the premises and labor of farms with 100 dairy cows are 47% lower than those with 20 cows. The coexistence of large and small farms in Germany shows that economic performance does not depend solely on farm size. The viability and competitiveness of farms is determined primarily by their ability to meet the needs of the market, the requirements of environmental protection and the production of environmentally friendly agricultural products.

**Fifth.** Owners or tenants of large farms have a relatively high standard of living. In their farms there are greater opportunities for the implementation of modern achievements of scientific and technological progress and to minimize manual labor.

The superiority of large-scale agriculture is also manifested in trade between EU member states in agricultural goods. Within the Community, the production of large farms in France, Denmark and the Netherlands is the most competitive6. They are still not able to compete with the relatively small farms of Germany, although they are equipped with modern equipment. This is primarily due to the fact that in small farms this technique cannot be fully and effectively used.

Unity, interdependence and compromises between the elements of sustainability of farm policy

Productivity, environmental friendliness, economic viability and social responsibility, considered in their unity, are the basis of the concept of sustainability in agriculture. The pursuit of sustainable development of the agricultural sector implies the achievement of compromises regarding the priorities in the implementation of one or another of the components of sustainability. The complex nature of each of the elements of sustainable agriculture and their different content, compared to the hierarchical level at which they are considered, determines the different degree of their interdependence. Norman et al. (1997) graded the importance and interaction of three of the above components of sustainability (environmental, economic and social), arranged in five hierarchical levels (field, agriculture, society, state, international level).

Figure 1 Interaction between the elements of sustainability in agriculture

Levels	on	Elements of sustainability		
impact		Ecological	Economically	Social / Institutional
on sustainability				
Internationally level		Minor	Minor	Minor
Country		Minor	Minor	Primary
Community		Minor	Primary	Primary
Agricultural		Primary	Primary	Primary
economy				·
Field		Primary	Minor	Minor

Source: Norman et al., 1997

#### Hierarchy of agricultural systems

As already mentioned, sustainability is a systemic issue. The system is usually a separate activity or a set of interconnected activities carried out within certain limits, separating its internal elements from the external conditions of the surrounding natural, economic, cultural and social environment. The system is supplied with input resources, the combination of which through certain technological methods and management techniques is performed within it and from their generation comes the end result, in the form of output. Izac (1994) examines the hierarchy of agricultural systems, placing the soil system at the lowest level, followed by the crop, agricultural, regional, national and global systems (see Figure 1). Between the elements of each system, as well as between the individual hierarchical levels, there are certain, very often dynamic interactions. The four main components of sustainability affect each level of the hierarchy of agricultural systems, but the form and strength of the impact for each system is different (Scholes et al., 1994). For example, the ecological conditions of productivity and sustainability have an impact mainly at the level of the crop and agricultural system. The impact of the ecological conditions of the environment decreases with the movement up the floors of the hierarchical structure of the agricultural systems. This scheme clearly shows the growing influence of economic factors at each subsequent level, which also applies to the social and political conditions that determine agricultural production at the level of economy, region, state and world agriculture. very often dynamic interactions. The four main components of sustainability affect each level of the hierarchy of agricultural systems, but the form and strength of the impact for each system is different (Scholes et al., 1994). For example, the ecological conditions of productivity and sustainability have an impact mainly at the level of the crop and agricultural system. The impact of the ecological conditions of the environment decreases with the movement up the floors of the hierarchical structure of the agricultural systems. This scheme clearly shows the

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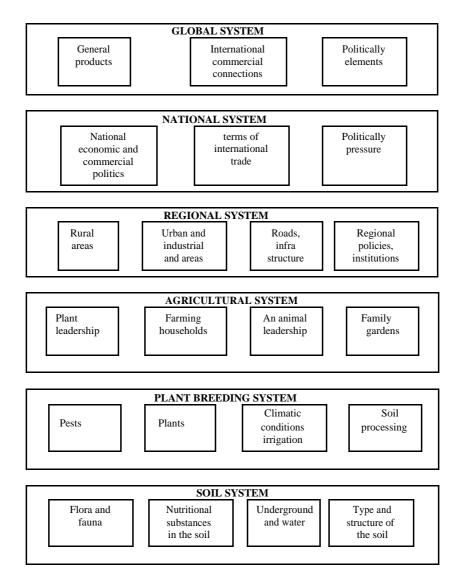


Figure 2 Hierarchy of agricultural systems. Source: Izac (1994)

Factors such as international trade agreements, national and international agricultural policies, strategic goals and priorities, ideology, socio-economic development of individual countries and regions of the world, etc., determine the existing relationships between the various levels in the structure of agricultural systems. For example, changes in the global climate, such as droughts, floods, epidemic spread of diseases and pests on crops, etc., have a direct impact on the results of agricultural production organized at farm level, and hence on the development of the industry nationally and globally. level. Advances in technology, price conditions in international agricultural markets, the agrarian policies pursued by individual countries and communities also have a direct impact on the livelihood and subsistence of the individual farmer and his family. This is the case with the liberalization of agricultural

markets in developing countries, where the import of cheaper food products by economically advanced countries puts the livelihoods of small farmers at risk. In the same way, the introduction and use in the agricultural production of genetically modified organisms, in competition with the local varieties of plants and animal breeds, lead to the cessation of the activity of many of the small farms. No answer at this stage, however,

In conclusion, it can be concluded that sustainable agriculture, as a concept of complex and systemic nature, in its essence is aimed at ensuring sufficient productivity, in accordance with the growing needs of the human population, environmentally friendly, economically viable and socially acceptable model of agricultural production (Raman, 2006). Sustainable agriculture is an alternative to traditional methods of agricultural cultivation and is the basis for the future development of society. Widespread methods and techniques of management of agricultural production systems, replacing traditional models of combining natural resources and processes in nature with intensifying practices after the Second World War, cause irreparable damage to the environment, such as the destruction of limited natural resources, pollution of the environment and provide preconditions for the emergence of a number of socio-economic conflicts. All this, in addition to destabilizing the social system on a global scale, also poses a serious threat to the survival of human civilization. In this regard, the concept of sustainable development has been spreading in recent decades, as the main aspiration and goal of humanity. Although sustainable agriculture is perceived as a branch of the theory of sustainable development, it is actually the basis and the starting point for the stable future development of society. Sustainability of agriculture is a dynamic and systemic problem, whose goals, principles and actions to achieve them have a complex impact on environmental, the economic and social foundations of agricultural production. The assessment and determination of the priorities, consequences and necessary compromises for the implementation of each individual principle of sustainability must be performed in the defined spatial, hierarchical and temporal dimensions of agriculture. Their review and reassessment must be carried out periodically, with a view to adapting the development strategy to the ever-changing conditions of the natural, economic, cultural and social environment in which humanity exists. While the main priority in the development of agriculture has been the pursuit of dynamic growth in production productivity, corresponding to the growth of the planet's population, at present the provision of a safe environment for human health,

### **Structural policy - Policy of forming a rational economic structure**

Structural policy is the main means of forming a rational and efficient economic structure, which can ensure constant growth of gross domestic product and increase the living standards of the population.

The individual interstate integration communities also pursue a structural policy aimed at mutual adaptation and complementarity of the national economies of the respective countries. With the help of its mechanisms the international specialization and profiling of these farms is deepened and relatively higher economic results are achieved.

The concept of economic structure has social, economic and organizational aspects. It includes: sectoral and territorial structure of social production; ownership structure of land and other means of production; organizational structure of management of business organizations and the economy as a whole; structure of the foreign trade exchange of the country.

The branch structure is formed by independent but interconnected branches, subbranches and types of productions, which arise as a result of the development of the social division of labor, of the differentiation and differentiation of the different activities.

The territorial structure expresses the spatial location of the productive forces in the country or in the interstate economic community, the zoning of agricultural crops.

The formation and improvement of the branch and territorial structure of the national economy are carried out under the influence of a number of structural factors:

- natural resources and conditions;
- geographical location of the country;
- number of its population;
- level of development of the social productive forces;
- participation in the international division of labor.

Natural resources and conditions have a direct impacton the specialization of agriculture and the extractive industry, and indirectly - on the manufacturing industry. Therefore, in countries with favorable conditions for the cultivation of crops and animals and rich mineral deposits with priority, it is appropriate to develop agriculture, mining, etc., as well as related engineering and other industrial production.

The human factor plays a decisive role in the formation of the economic structure. In large countries (with a population of over 100 million people) it is possible at the current stage of development to form a close to the universal structure of production, which includes almost all industries and types of production.

In small countries (up to 10 million people) it is inexpedient to develop a universal economic structure.

The last few decades have accelerated the creation of new industries and productions - nuclear engineering, electronics, robotics, computer science, biotechnology, etc., and expanded the range of their products. At the same time, these industries and productions are interconnected economically, technologically and organizationally and inter-industry complexes are formed. They include all types of activities related to the production and marketing of a final product. The construction complex includes the construction industry, the industries that produce construction materials and equipment for construction, as well as the relevant infrastructure units.

Within the state, the individual branches, inter-branch complexes and economic territories are integrated and gradually form a single national economic complex of the country. Its structure is considered at the macro-, meso- and micro-levels.

The macrostructure of the national economic complex expresses the ratio and the interconnectedness between the main consolidated branches: industry; Agriculture; construction; services. It also includes intersectoral complexes.

**The mesostructure**characterizes the main branches of industry and agriculture. Thus, mechanical engineering includes the automotive, electrical and metalworking industries, agriculture - plant and animal husbandry, food industry - milling, fodder, wine, canning, etc.

**The microstructure** expresses the ratio between the different types of production (in the automotive industry - production of heavy and light cars; in animal husbandry - 110 cattle - cattle, pig, sheep, poultry).

At the current level of development of the productive forces, the center of restructuring of social production is increasingly shifting to its intra-industry structure, ie. in the microstructure of the economic complex.

In the countries and interstate communities there is a process of continuous improvement of the economic structure. This is done in two ways - expanding old and creating new more efficient industries and productions and limiting or stopping the development of inefficient industries and productions. There are quantitative changes in the proportions between the branches of the economic structure. Its qualitative changes can be judged by the level of labor productivity and scientific and technological progress in individual industries.

The main goal of structural policy in a country is to form a rational economic structure(composed of interconnected industries, sub-industries and types of production, which provide scientific and technical progress and correspond to the existing natural, labor and material resources in the country).

A criterion for assessing the rationality of the sectoral structure of production is its economic and social efficiency. Economic efficiency can be determined by GDP growth compared to production costs, and social - by the degree of satisfaction of material and spiritual needs of the population.

The rationality of the economic structure does not depend on the quantitative composition of the industries, ie. of the degree of its universality. So far, Russia, the United States and China have such a universal structure, where several hundred branches and sub-branches of national economies have been formed. It is more important to achieve the highest possible degree of scientific and technical progress in individual industries and to produce cheap and high quality products.

The main lever for improving the production and technological structure are investments. They can force or slow down the development of individual industries, sub-industries and types of production. Investment resources can be provided primarily through state and regional budgets, from accumulations in individual business organizations. Sources of investment can also bespecial funds, banks and foreign investors.

## Basic directions of the structural policy in the modern national agro-industrial complexes

In the conditions of the modern scientific and technical revolution the management of cultural and high-intensive agriculture presupposes interconnected and balanced development of all branches of the agro complex (AC) of the country. These industries can be grouped into three groups:

- first group includes the industries (transport, agricultural and food engineering, agrochemical, feed, microbiological industry), which supply agriculture and the food industry with means of production; reclamation activity, agricultural construction, material and technical service of agriculture;
- second group the sub-sectors of agriculture (crop production, animal husbandry, fish farming, beekeeping and sericulture);

• third group - the food industry, the primary processing of non-food agricultural raw materials, storage and refrigeration, trade in agricultural goods.

At the center of the structure of the agro-industrial complex are agriculture and the food industry. These industries form the so-called food complex.

According to the specifics of the agricultural sector of each country, the main directions of the structural policy could be determined.

**First direction.** Optimization of the industry professiontour of the agro-industrial complex.

**The second direction.** Improving the structure of employees in the main industries and activities of the AC.

**Third direction.** Maintaining a rational ratio between the rates of increase in the production of agricultural raw materials and the construction of capacities for their processing.

International experience shows that a 1:2 ratio must be ensured between the annual growth rates of agricultural production and the food industry. So far, in most Eastern European countries, this figure is approximately 1:1.5.

An optimal structure should also be maintained between grain production and the feed industry. By creating high-performance and quality equipment for the feed industry and by building enough feed mills, the feeding of animals with unprocessed grain will be stopped and its irrational consumption will be gradually reduced.

Fourth direction. Rational intra-industry structure of agriculture.

There is a need for balanced development of plant and animal husbandry and improvement of the structure of the sown areas. Traditionally, cereals and legumes occupy about half of them2.

Cereals occupy the highest relative share in the structure of sown areas, as they provide the main and indispensable food for the population and livestock. In addition, a relatively higher level of mechanization and labor productivity has been achieved in grain production than in other sub-sectors of crop production.

**Fifth direction.** Improving the structure of foreign trade.

The aim is to outline the profile of the international specialization of the agricultural sector of each country, to gradually improve the quality and competitiveness of agricultural goods on international markets and to increase their foreign exchange returns.

### **CHAPTER TWO ANALYTICAL**

Comparative analysis of policies in Bulgaria and Kosovo

In the 1990s, Bulgarian and Kosovo agriculture were in a major (managerial and production) crisis, caused by the centralized management model and the low efficiency of large-scale state-owned and cooperative farms. The experience with private farms in both countries turned out to be positive. Despite their small size, they create strong incentives and are of great economic importance. For example, in Bulgaria private farms cultivate 10% of the land by producing almost 100% of goat's milk, 86% of honey, 80% of watermelons and melons, 76% of buffalo milk, 64% of sheep and goat meat, 58% of poultry, 54% of potatoes, 48% of grapes and eggs, 46% of strawberries, 45% of pork, 44% of fruit and sheep's milk, 42% of vegetables, 36% of beef, etc. (NSI). In Kosovo,

Unlike the deep technological, economic and food crisis in Kosovo, Bulgarian agriculture is relatively well intensified with a high export orientation. Many "economic mechanisms" and reorganizations have also been unsuccessfully experimented with in Bulgaria in order to improve governance and increase efficiency.

The fundamental reforms in Bulgaria and Kosovo are based on a large-scale land reform that affected almost all agricultural land and the majority of the population. As a result, three quarters of Bulgarian households and 80% of Kosovo's rural households acquire substantial rights to agricultural land in real terms.

Initially, both countries set limits on the maximum amount of land acquired and leased, and differentiation of land acquired is applied in areas with more agricultural land (such as Dobrudja and the southern provinces of Kosovo) and in areas with limited land. The new owners are obliged to preserve the permanent use of the land and the fixed assets on it (permanent crops, rice fields, hydromelioration).

Bulgaria and Kosovo are gradually expanding the rights related to agricultural land, including removing restrictions on transactions with them (Bulgaria), expanding the scope of transactions with them (Kosovo) and enabling the acquisition of agricultural land by foreign nationals.

There are also significant specifics in the nature of land reform in both countries.

In Bulgaria, the rights of private ownership of agricultural land are restored to all previous owners (individuals and legal entities, schools, the church, municipalities), before collectivization. State and municipal lands are privatized or used for landless landless and low-income citizens. In Kosovo, the national character of land ownership is preserved by granting long-term land use rights, approximately equally among all farming households.

There is also a difference in the maximum amount of land on which private rights can be acquired - 30 ha in Bulgaria and 10 ha in Kosovo. In Kosovo, the maximum amount and period of granting land use rights is differentiated depending on the nature of its use (annual or perennial crops). In Bulgaria, restrictions on the use of land with (and storage of) perennials, rice fields and land reclamation are only within the amortization period, while in Kosovo they apply for the entire period of land acquisition.

In Bulgaria, all restrictions on the purchase and lease of agricultural land, including by foreign citizens and legal entities, are removed. In Kosovo, official fixing of prices and rents for agricultural land is applied, and prior approval of the authorities is required for all transactions with them. Moreover, only the state can lease agricultural land to foreign individuals and legal entities.

Land reforms in both countries are similar in their course and results. In both cases, they prove to be a very lengthy, complex and costly process. One of the reasons for this is the imperfect laws and regulations, which requires their frequent change. A common result of the land reform is the strong fragmentation of the rights of the agricultural lands themselves - an

average size of eligible 2.7 ha in Bulgaria and a farm household below 0.7 ha in Kosovo, usually in many plots and locations.

A positive result of the reform is the rapid development of the land market and private farms in both countries. In order to circumvent the formal restrictions and / or minimize the transaction costs associated with the transactions, informal (illegal) contracts for the transfer of rights to agricultural land are also widely applied - renting, participation in partnership, use as collateral, etc.

The specifics in Bulgaria are related to the many conflicts (between applicants, relatives) and the illegal acquisition of ownership of agricultural land; the conversion of non-farmers into landowners; the relatively larger average size of land per entitled; significant destruction of perennials, irrigation and other facilities acquired with the land.

In Kosovo, agricultural land is provided only to farming households in approximately equal quantity and quality. Land fragmentation occurs mainly in the northern and mountainous regions of the country.

The most significant difference is that while in Bulgaria the land reform is (long overdue) a process, in Kosovo it continues with debates about the direction of its development, the efficiency of the period of ownership, the maximum amount of land per farm and restrictions on land transfer and use.

Agrarian reforms in Bulgaria and Kosovo are also linked to the fundamental transformation and / or privatization of existing state-owned and cooperative farms. Both countries have a "favorable" (and equal) policy for the development of all types of market-oriented structures, and the newly established forms also receive tax relief for a certain period of time.

There are also significant specifics in the restructuring of the old structures in both countries. In Bulgaria, the former cooperatives are liquidated by the state and their assets are distributed in individual shares among the members. State-owned municipal enterprises are privatized through sale, auction or managerial-labor purchase, and land reclamation assets are transferred to water users' associations.

Bulgaria has no restrictions on the establishment of different types of agricultural holdings - unregistered, cooperatives, sole traders, trade companies, associations, joint ventures, etc. All types of farms are exempt from income tax for 5 years from the full restoration of land rights, and cooperatives do not pay tax on transactions with members. Land transactions are also not taxed, and a Lease Act is adopted to facilitate the transfer of land use and the consolidation of farms.

In Kosovo, old production cooperatives are transformed into new service cooperatives or self-dissolved. The new cooperatives inherit the assets of the old cooperatives, and the shares are distributed only among the new members of the cooperatives. Registration of cooperatives is possible only for services, while the multiplying informal "mutual aid groups" are allowed production, import and export. State-owned enterprises are privatized or transformed into independent companies of various types. The policy of limiting the concentration of land on a large scale is followed. Tax relief is provided only to cooperatives for 3 years, after which they pay the same taxes as private companies in rural areas.

There are significant similarities in the course and results of farm restructuring. In Bulgaria and Kosovo, the process of privatizing state and cooperative assets has proved long and complex. As a result and / or in parallel with it, numerous private farms with a small average size are developing. The newly developing structure of organization of agricultural activity is characterized by mass small and primitive economy for self-sufficiency and semi-market activity, and a small number of modern market-oriented large economy with increasing size and importance. Many new cooperatives are emerging from the liquidated organizations and interested farmers. Many of the new cooperatives in Bulgaria and the

transformed cooperatives in Kosovo have high membership, low efficiency and sustainability.

The process of restructuring farms continues by consolidating and diversifying farms and diversifying their ownership. Numerous informal organizations are also developing and practicing informal transactions with land, labor, capital, etc. The share of landless and poor peasants in both countries is also increasing.

The specificity of the privatization of assets in Bulgarian agriculture is that it is over. As a result, a large part of Bulgarian (including non-farm) households receive shares in the assets of former farms. Some of these assets are used in newly developing family and cooperative farms, while others are consumed or destroyed. There is a strong polarization in the size of the newly developing market structures - small commercial farms and large-scale business farms. Market-oriented farms concentrate a significant part of the arable land in the country.

Cooperation is developing mainly in production, and more recently in joint marketing. Unregistered and cooperative farms are characterized by low adaptability to the market and institutional environment and high instability. The restructuring process has a negative impact on land use (the size of which is decreasing and environmental problems are increasing) and on overall production.

In Kosovo, the transformation of state-owned and some cooperative enterprises continues. Market farms are developing rapidly but unevenly in the main regions of the country. There are also significant differences in the size of commercial farms in different types of production. The so-called very large farms have different forms of ownership and concentrate a small part of the arable land in the country.

The cooperative activity competes with private companies and diversifies in processing and marketing, domestic lending, crafts, retail, drinking water supply, waste collection and more. To improve their positions, cooperatives began to federate at the regional level. Informal groups for mutual support of farmers are also registered en masse. A positive result of the restructuring is an increase in market holdings, improved land use and significant growth in production and exports.

In Bulgaria and Kosovo, a radical reform of the public sector is underway, which is aimed at increasing the efficiency of the administration and the system for support and regulation of agriculture. In recent years, the public governance system has increasingly integrated agricultural governance, food safety and rural development. In both countries, however, public sector reforms are not fully completed. The public sector does not work effectively and according to the expectations of the society, and the material and supporting infrastructure critical for the development of the branch are missing or do not meet the modern needs.

The specificity in Bulgaria is that public institutions, policy and support are harmonized with those of the European Union. At the same time, the country does not have an effective system for managing European funds, and the different regions differ significantly in their potential for effective implementation of European and national policies.

In Kosovo, public sector modernization is focused on the country's domestic needs. At the lower levels of government, the administration is not working effectively and some of the state monopolies related to agriculture have not yet been dismantled.

Figure 6 shows the summary of the main similarities and specifics of the agrarian reforms in Bulgaria and Kosovo.

Figure 3 Similarities and specifics of agrarian reforms in Bulgaria and Kosovo

T21	T	Specifics		
Elements	Similarities	Bulgaria	Kosovo	
Condition	centralized	failure of	deep	
before	planned	"Economic	technological,	
the reform	management;	mechanisms "for	economic and	
	high	management;	food	
	collectivization;	relatively high	crisis	
	large-scale	intensification of		
	farms;	agriculture;		
	managerial and	export		
	production	orientation		
	crisis;			
	low efficiency			
	and incentives;			
	significance of			
	small personal			
	farms			
The nature of	large-scale affecting	recovery of	save on	
grounded	almost the whole	the rights of the private	nationwide	
reform	agricultural land and	ownership of	character of	
	most of	all owners	property	
	households;	before	on agricultural	
	distribution of	collectivization;	lands;	
	the land in	privatization of	granting rights	
	real boundaries;	state and	in the long run	
	restriction of	municipal lands;	land use by	
	the maximum	grounding of	evenly distributed	
	size for	landless and	between all	
	acquired and	low-income	farming	
	leased land;	citizens;	households;	
	save on	higher	lower	
	the permanent	maximum size	maximum size	
	using	of the acquired	acquired land	
	land and assets	land (30 ha);	(10 ha);	
	On top of her;	obligation for	differentiation of	
	differentiation of	save on	the maximum	
	the maximum	permanent use	size and period of	
	size of	to	providing	
	acquired land in	depreciation	land depending	
	the different areas;	term;	from cultures;	
	gradually	removal of	foreigners can	
	expanding of	all restrictions	to hire only from	
	rights to	for purchase and	the state;	
	agricultural land.	rental;	fixing prices	
		removal of	and rent, and	
		restrictions on	in advance	
		acquisition	approval of	
		owned by	transactions	
		foreigners		
Implemented	prolonged,	many	distribution of	
no results	complex and expensive	conflicts and	the land in	
from the ground	process;	illegally	approximately	
reform	numerous	acquisition	equal amount and	
	changes to	property;	quality;	

	love ond	the majority	providina
	laws and	the majority	providing
	the normative	non-farmers	land only on
	regulation;	acquire rights	farming
	small medium	on agricultural	households;
	size of the new ones	lands;	the fragmentation of
	rights to	significantly more	land only in
	entitled;	large medium	the northern part and
	shredding of	size of	mountainous areas
	agricultural land;	entitled;	On the side;
	rapid development of	physically	ongoing
	private farms;	destruction of	debate process for
	P- 1		_
	rapid development of	perennials,	term and amount of
	land market;	irrigation and others	rights, and
	mass use	facilities;	restrictions on
	of informal	long over	use and
	contracts for	process	land transfer
	land transfer		
Restructuring	conversion	liquidation from	conversion or
ound of	and / or	the state of	self-dissolution of
oldings	privatization of	all	cooperatives;
	the old state and	cooperative	state
	cooperative	farms;	enterprises are
	structures;	managerial	privatize or
	favorable and	working or	convert to
		_	
	equal	market	independent companies;
	policy to	privatization of	only
	all market	state and	possible
	farms;	municipal	cooperatives for
	tax relief	enterprises;	services;
	of the newly established	transfer to	the new cooperatives
	structures for	hydromelioration	inherit
	certain period of time	of associations of	the assets of the old
	certain period of time	water users;	cooperatives;
		distribution of	assets are
		the assets of	distribute only
		the former	between the new ones
		cooperatives in	members of
		individual	cooperatives;
		partitions between	restriction of
		members;	the concentration of
		regulation of	land in large
		transactions through law	dimensions;
		for rent;	tax relief
		freedom for	only to
		establishment of	cooperatives for 3
		any type	years;
		farms -	cooperatives
		unregistered,	pay the same
		cooperatives, companies;	taxes as
		5 per year	other private
		released from	companies in rural
		income tax	areas;
		all farms after	stimulating
		recovery of	informal groups
		The Earth;	for mutual
		released from	assistance;
		tax at	expansion
		transfer to	the rights of

		rights to The Earth; cooperatives do not pay tax on transactions with members	informal groups with rights to production, import and export
Stroke and	long and expensive	the privatization of	prolonged and
results of	process;	agricultural assets	still
restructuring	development of	finished;	unfinished
the wound	numerous	large part of the	process;
	private farms with	the shares are	unevenly
	small medium	receive from	development of
	size;	non-farmers;	market farms
	mass farming	demolition or	the different areas;
	for	consuming	unequal dimensions
	masturbation and	significant	of farms in
	semi-market	material and	the individual
	activity;	biological	production;
	rapid development of	assets;	strong competition
	large-scale	polarization in	from private companies and
	market farms;	the size of	diversification in
	development of many	small market	new services of
	new cooperatives;	farms and business	the cooperative
	multiplicity of	farms;	activity;
	members and low	cooperation in	occurrence of
	efficiency of	production	federations from
	very new	activity and	cooperatives;
	cooperatives;	recently in	mass registration
	continues	marketing;	of the informal
	restructuring	low adaptability and	groups
	by consolidation and	high	market growth
	diversification;	instability of	farms,
	increase	unregistered and	improvement
	the landless	cooperative	the use of
	peasants;	farms;	ground, rising
	numerous	negative	of production and
	informal	impact of	exports
	organizations;	the use of	
	en masse	land, the volume of	
	practicing	production and	
	informal	exports	
	transactions with		
	land, labor, capital		
Reform of	modernization of	harmonization with	aimed at
the public	the administration;	The European Union;	national
sector	support system	unequal	needs;
	on farms;	potential in	at lower levels
	integrates	the individual regions;	of management
	the development of	inefficient	ineffective;
	rural areas;	working system for	unfinished
	inefficient	management of	the privatization of
	working public	European	state
	institutions;	funds	monopolies
	infrastructure		_
	unmodernized;		
	unfinished		
	process		

Problems and opportunities for increasing the competitiveness of Bulgarian agriculture

Bulgaria's accession to the EU in 2007, with a reformed agricultural policy, puts the development of Bulgarian agriculture in a radically different situation. Our accession to the EU is taking place at a low level of production, a significant shortage of agricultural goods for fresh consumption and raw materials for the processing industry, outpacing the growth of agricultural imports compared to exports. The distribution of the dominant part of European subsidies through payments per hectare has an ambiguous effect on the development of extensive and intensive crops, with the second group being insufficiently stimulated.

Serious problems arise due to the unequal start of Bulgaria and other European member states in terms of achieved productivity and competitiveness of agricultural production, as well as higher direct payments to the old EU members.

The strong negative trends in Bulgarian agriculture in the transition period, expressed in a sharp decline in production, average yields, animal productivity, a drastic reduction in exports, especially of fruits, vegetables, animal products and loss of competitiveness even in the domestic market, put acute question of the need for drastic positive changes. In this regard, finding levers to influence the negative trends in production and increase the competitiveness of agricultural products on the domestic and world markets is particularly important.

In response to this need, a SWOT analysis of the strengths and weaknesses, opportunities and threats to the development of Bulgarian agriculture and increasing its competitiveness in a single European market.

The SWOT analysis aims to determine complex assessments of the impact of the strengths (strengths) of Bulgarian agriculture, weaknesses, as well as opportunities and

threats for improvement onthe competitiveness of agricultural products in the initial period of Bulgaria's membership in the EU. In addition to assessing each position of the above four areas, attention is paid to a common weighted average assessment of strengths, weaknesses, opportunities and threats to the strength of each of them on the trends of Bulgarian agriculture and increase the competitiveness of agricultural production.

The author's working hypothesis is that in the conditions of the realized transition in the agriculture of Bulgaria and the world economic crisis, the strength of action of the strengths and weaknesses, as well as the opportunities and threats are almost equal.

This greatly complicates the forecasting of the future development of the agricultural sector, as well as the realization of a more dynamic positive change through the implemented agricultural policy, largely dominated by the common agricultural policy of the EU. This sensitive balance influences the development of Bulgarian agriculture and determines the importance of the policy of the Bulgarian state. In this regard, the determination of the priorities and the place of agriculture among these priorities, from which to follow the General and Agrarian Policy of the state, especially in the conditions of economic crisis, is extremely important for the economy of Bulgaria.

A relatively comprehensive list of strengths, weaknesses, opportunities and threats to improve the competitiveness of Bulgarian agriculture in the Common Agricultural Policy and a single European market in the SWOT analysis is determined based on the expertise of agricultural experts, analysis of trends for long-term period and a more detailed analysis of agricultural development in the last 5-6 years.

The formulated main elements for SWOT analysis was conducted a survey between specialists in the system of the Agricultural Academy and other departments related to the development of the agricultural sector. For each of the advantages, weaknesses, opportunities and threats, the surveyed specialists give a rating in a certain rating scale (from 1 to 6). The aim is to give these assessments a comprehensive assessment of the strength of influence or

possible influence of each factor on the development of Bulgarian agriculture and the creation of conditions for development and increase the competitiveness of Bulgarian agricultural products or the difficulty, obstruction of these processes. The obtained average scores for each factor, advantage, disadvantage allow to highlight the most important of them.

The formulated advantages, weaknesses, opportunities and threats for the Bulgarian agriculture as a whole have different degree of influence on the separate sub-branches, productions and produced agricultural products. The specifics of each of them can be reflected in specific studies by sub-sectors. In general, however, the conducted SWOT analysis characterizes the conditions in which Bulgarian agriculture develops.

Advantages (strengths) of Bulgarian agriculture

The obtained average estimates of the main advantages of Bulgarian agriculture allow their ranking according to the strength of influence or possible influence. They are differentiated in a relatively wide range - from 3.8 to 5.6 (Table 18).

The summarized results show that the greatest influence has and is expected to have advantages related to the existing objective data for agricultural production in Bulgaria such as: available appropriate soil and climatic conditions for growing a wide range of crops; available experience and traditions for agricultural activity; conditions for development of more intensive productions (vegetables, orchards), as well as the production of some specific products (essential oil crops and their derivatives, local wine brands, some types of animal products) with characteristic quality and identity.

Trends in the development of agricultural production in Bulgaria over the past 20 years, and not only as a member of the EU, show that this group of advantages is not used enough. A very simplified structure of production is formed (grain and sunflower), and intensive sub-sectors such as viticulture, fruit growing, vegetable production, animal husbandry have strong negative trends (reduction of areas, production, average yields, number of animals and productivity). Therefore, for productions for which Bulgaria has very suitable conditions and is a net exporter, they are already missing from the export list and imports for domestic needs are realized.

Lower rank are the estimates obtained for the available gene pool of meat breeds and varieties of crops, the availability of cheap labor, opportunities to improve technology, but their importance and impact is very significant. And in this group of advantages there is a significant degree of underutilization.

The impact of the factor European market and exports to third countries are assessed as less influential possible advantages. The main reasons for this can be found in the reduced production of agricultural products, which does not allow in practice to use these advantages, as there are no products for export.

proper climate-land condition 5.6 Experience and traditions 5.0 intensive productions 4.8 specific resources 4.8 local varaties 4.7 low cost labour 4.6 technologies 4.0 diversed farm structures 3.8 export to Middle East 3.8 broad market EU 3.8 0.0 1.0 2.0 3.0 4.0 5.0 6.0

Figure 4 Strengths of Bulgarian agriculture, rank of importance

Source: survey data

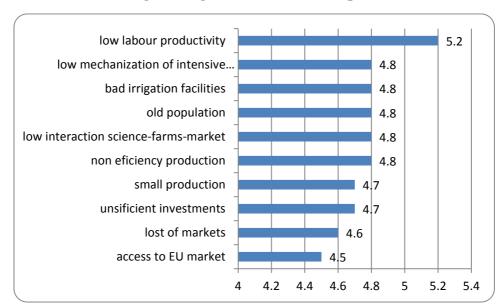


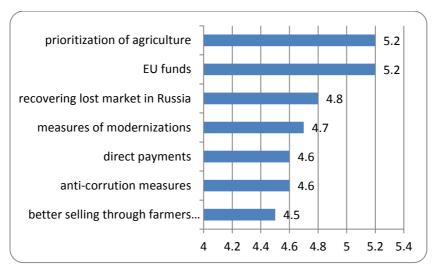
Figure 5 Weaknesses of Bulgarian agriculture, rank of importance

Source: survey data

The wide range of weak countries with a significant rank of importance require the implementation of a national policy that stimulates the use of all opportunities that can improve the situation and accelerate the development of agriculture.

Opportunities to improve the competitiveness and condition of agriculture

Figure 6 Opportunities for increasing the competitiveness of Bulgarian agriculture, rank of importance



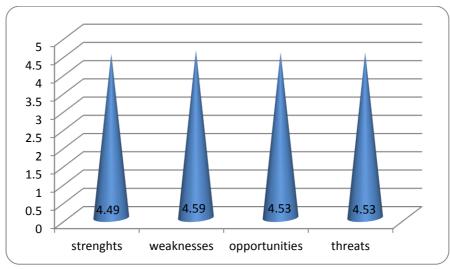
Source: survey data

The possibility for Bulgarian producers to use funds from the European funds and the national supplements under the Rural Development Program (RDP) and the Common Agricultural Policy has an equivalent degree of impact.

Nevertheless, this group of opportunities is valued lower than the various sources of funding, which once again confirms the imperative need of Bulgarian agriculture to solve mainly problems related to production (structure, productivity, productivity, competitiveness), after which it will be make fuller use of market opportunities. Many of the highly rated opportunities are closely related to the subjective factor - the use of policies and financial sources to stimulate agricultural production, in terms of its greatest possible advantages, listed at the beginning of the exhibition.

The average assessments of the advantages, weaknesses, opportunities and threats for Bulgarian agriculture in recent years are very close (Fig. 28).

Figure 7 Mean scores from SWOT analysis



Source: survey data

Opportunities to improve the competitiveness of Kosovo's agriculture

To assess the competitiveness of Kosovo agriculture, a SWOT analysis was conducted based on interviews with members of the Department of Resource and Environmental Economics at the Agricultural University in Pristina and part of the bilateral project. The aim is to identify the industry's strengths and weaknesses, as well as the opportunities and dangers of the external environment for the development of Kosovo's agriculture.

The most important internal attributes of Kosovo agriculture, which help to raise its competitiveness, are: the favorable natural and climatic conditions for the development of various sub-sectors and industries; the good traditions and skills of farmers in agricultural production; low production costs for labor, materials, services, land rent, etc.; the existence of available cheap agricultural land and labor resources in the main production areas; strong private incentives for farmers to increase production efficiency and adapt to market demand; the established good reputation on the international markets of Kosovo's agricultural products such as cereals and industrial crops, vegetables and fruits; the good level of diversification of production,

The most important internal attributes that hinder the competitiveness of Kosovo's agriculture are: high vulnerability to various natural disasters (droughts, floods, storms); small, fragmented and poorly organized farming; the lack of modern market, storage, transport, hydro-ameliorative and telecommunication infrastructure in the rural areas; the distribution of obsolete equipment, technologies and low-yielding varieties; excessive use of chemical fertilizers and pesticides in some industries; the lack of an effective food safety control system; the lack of established trademarks, origins and eco-certification; the non-modernized processing industry.

The most important external environmental factors that favor the competitiveness of Kosovo's agriculture are: the development of new technologies, varieties and farming systems; the political stability in the country and the consistent policy for state support of agriculture; the development of food demand in the domestic and international markets; the inflow of foreign investments in the country and the industry; the trend of continuous growth of international prices of basic agricultural products; the lack of transport infrastructure to provide access to large markets; the ongoing process of privatization and liberalization of the economy; the modernization of the institutional environment - the improvement of the legal framework, the standards for quality, labor and ecology, the system of public control of laws and private contracts; the benefits of the country's membership in the WTO, and of bilateral agreements to expand trade with the United States and the European Union.

The most important threats to the external market, institutional and natural environment that hinder the rise of the competitiveness of Kosovo's agriculture are: the annual devastating natural disasters of various kinds (droughts, floods, storms, fires); strong competition with neighboring countries exporting similar products; the slow pace of restructuring of state-owned enterprises' monopolies for services, processing and exports; the constant increase in the prices of machinery, fertilizers, preparations, fuel seeds; strong fluctuations in international and domestic prices of basic agricultural products; limited irrigation resources critical to certain industries; inefficient public sector (administration, support programs, judiciary); the lack of a modern banking system in the country and rural areas; the ongoing debate on the guidelines and the degree of reform of the industry and the economy as a whole.

The results of the performed SWOT analysis are presented in fig. 18.

Based on the identified strengths and weaknesses, opportunities and threats to the environment, effective strategies must be developed and adequate policies implemented to increase the competitiveness of Kosovo's agriculture. These strategies and policies must be

based on the strengths and comparative advantages of the industry, provide for measures to overcome its weaknesses, to make better use of existing environmental opportunities and to protect against external hazards.

Figure 8 SWOT analysis of the competitiveness of Kosovo agriculture

Strengths	Weaknesses
Favorable natural and climatic	High vulnerability to natural
conditions	disasters
Good traditions and skill	Fine, fragmented and
Low production costs	unorganized farming
Availability of cheap land and labor	Lack of modern
resources	infrastructure
Strong private incentives to raise	Outdated equipment, technology, and
of efficiency and adaptation to	low-yielding varieties
demand	Excessive use of
Built a good reputation on	chemical fertilizers and pesticides
international markets	Lack of control system
Diversified production	food safety
	Lack of established commercial
	brands, origins, eco-
	certification
	Not modernized
	processing industry
Opportunities	Dangers
Development of new technologies, varieties,	Annual natural disasters
agricultural systems	Strong competition with countries from
Political stability and	area
consistent state policy	Slow restructuring of
support	state-owned service enterprises,
Development of domestic demand and	processing and export
international markets	Rising prices of equipment,
Entry of foreign	fertilizers, fuels and seeds
investments	Strong fluctuations of
Rising international prices	international and domestic prices
Proximity to major markets	Limited irrigation resources
Privatization and liberalization of	Inefficiently working public
the economy	sector
Modernization of the institutional	Lack of modern banking
Wednesday	system
Membership in the WTO, ASEAN, APEC, and	Debate on the guidelines and extent of
expanding trade with the United States and	reform
EU	

### **CONCLUSION**

Bulgarian and Kosovo agriculture have a similar past and are undergoing a dramatic transition to economic liberalization and institutional renewal. Our comparative analysis found that the policies of reforming and modernizing the sector are characterized by some common features such as: a long and complex process of privatization of land and agricultural assets, successful restructuring of state and cooperative farms, liberalization of prices and trade, restructuring of state administration and the system of public support, unification of policies for the development of agriculture and rural areas, close integration in regional and world economic organizations.

The comparative analysis of agricultural policies in the two countries finds that they have many common positive results such as: successful transformation of the sector and introduction of market mechanisms, privatization of all agricultural land and agricultural production, conversion of a significant part of households into agricultural land owners. and decision-makers, rapid development of market farms of various kinds, continuous increase of efficiency and size of farms, progressive change of the structure of agricultural production, diversification of activities and organizational modernization, improvement of the system of social regulation and support of agriculture, growth in international trade in agricultural products, etc.

The comparative analysis also found that the implementation of policies in both countries is associated with a number of similar negative results such as: strong fragmentation of ownership and land use, development of large-scale self-sufficiency and semi-subsistence farming, polarization of commercial farm size and efficiency, low sustainability of household farms and agrarian cooperatives, development of a large informal sector, increasing the share of agricultural employment, increasing the number of landless and low-income peasants, inefficient management of the public sector and public programs to support agriculture, etc.

Our analysis highlighted the main specifics of agricultural policies and the results of their implementation in both countries.

Bulgaria's agrarian reform took place as part of the fundamental transformation of the overall economic and political system. A significant part of the agricultural land was restituted to the former owners and their heirs, and the existing cooperative farms were liquidated. The privatization process is a complex, contradictory, expensive and associated significant decline in basic production, reduction of land use and number of animals, destruction of a huge part of material and biological assets. Due to a lack of, inefficient or poorly managed government regulation and support, most farms are inefficient, competitive and adaptable to the changing market, institutional and natural environment. As a result, the country has changed from a net exporter to a net importer of agricultural products.

In the years before and especially after the country's accession to the EU, public regulation and support for agriculture improved significantly. This is a result of both the introduction of common policies for the Union (agricultural, regional, environmental, foreign trade, etc.) and effective external (by the EC) control over the implementation of EU policies. The free access to the huge European market, the introduced and sanctioned new order of progressive laws and standards, the growing public support will favor the further modernization of the farms and contribute to the fuller realization of the comparative advantages of Bulgarian agriculture. Progress in this regard will depend on improving the management of public sector support programs and completing administrative and judicial reforms.

Kosovo has successfully implemented a specific model for privatization and economic liberalization within the existing political system. Private rights to agricultural land

and agricultural assets are constantly expanding, and cooperative and state structures are gradually being transformed into effective private organizations. At the same time, the forms of state support for promising economic forms and productions are constantly expanding.

As a result of all this, agricultural production and exports are experiencing unprecedented and sustainable growth. On the developing side, Kosovo is becoming a positive model for effectively modernizing agriculture and increasing the well-being of farmers and rural populations.

The favorable comparative (natural, economic, geographical, etc.) advantages of Kosovo agriculture, combined with further liberalization and state support, will allow for a fuller use of national resources, market opportunities and scientific and technological advances. This will accelerate the restructuring and modernization of farms, improve the efficiency and sustainability of agriculture and raise the living standards of farmers and rural households. Success in this regard will depend on deepening reforms in agriculture, related industries and activities, public administration and the economy as a whole.

The overall analysis of the various policies for and the multilateral effects of reforming the agricultural sectors of Bulgaria and Kosovo is a complex task, far below the modest capabilities of the author's team. The task is further complicated when it comes to forecasting the prospects for policy development and their impact on agriculture in both countries. For example, it is interesting to see how the ongoing debate on the further course of reforming Kosovo's agriculture and economy will be transformed into effective agricultural development policies for the country. It will also be interesting to see the evolution of the "Bulgarian" model of transition into a specific "Bulgarian" model of European integration, application of the "common" policies of the union.

The author hopes that this development of the two countries will be the subject of a new joint study and cooperation between Bulgarian and Kosovo scientists.