Eastern European Countryside
22' 2016
DOI: 10.1515/eec-2016-0005

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Opening the „Black Box" of Organic Agriculture in Bulgaria: the Problem with Top-down Institutional Development[1]

Abstract

The aim of this article is to examine the institutional development of organic agriculture (OA) in Bulgaria. The primary focus is on explaining certain contradictory trends observed during an examination of the phenomenon. *First*, although the origins of OA in Bulgaria can be traced back to the last years of socialism, it was not until 2010 that a "boom" of organic operators and certified land occurred. *Second*, although a full range of policies and instruments to support OA have been implemented and the importance of OA has been politically recognised, only approximately 1.1% of the agricultural land in Bulgaria is currently managed organically. *Additionally*, despite the development of national policies, the introduction of financial instruments and the emergence of OA organisations, the domestic organic food market is backward, as the largest portion of OA production is intended for export. *Finally*, there is evidence that calls into question the potential of OA to encourage socially and economically productive activities when it is motivated by subsidies rather than market value.

[1] The article is based on a plenary report presented on "Eastern European Countryside Revisited – 25 Years after the Transition" Conference, held on 26th and 27th of June 2015 at the Institute of Sociology, Nicolaus Copernicus University, Torun, Poland.

Using the "black box" allegory to approach the above observations, this article aims to explain the institutional development of OA in Bulgaria during the period spanning 1990-2013. Using the institutional analysis perspective as an analytical tool, the article addresses two main research questions: 1) *What were the driving forces behind the emergence of the OA concept and its political recognition?* and 2) *What factors have led to the questionable outcomes of OA development?* The article also uses qualitative data to critically assess the "boom" of the OA sector, as indicated by official statistics.

Keywords: organic agriculture, institutional development, organic community, organic policy, organic food market

Introduction

Organic agriculture (OA) is a new phenomenon within the national agri-food industry, and thus research on OA in Bulgaria is limited. Available studies offer socio-economic expertise regarding the advantages of this type of agriculture, opportunities for developing organic food chains, consumer behaviour, and organic market potential[2]. However, the origins of OA in Bulgaria and the role of different actors in its institutional development have failed to garner scientific interest. The importance of addressing these issues derives from two main assumptions. *The first* assumption is that, unlike Western European countries (Michelsen et al. 2001) and certain Central European countries (Moschitz et al. 2004), the OA sector in Bulgaria was not established through a farmer-led social movement, nor did it result from consumer demand for organic products. Rather, its establishment followed a top-down process triggered by academics, local consultants, organisations driven by foreign donors, and EU accession. *The second* assumption concerns the observation of certain contradictory trends in OA development in Bulgaria that call into question the so-called "boom" of the OA sector recently proclaimed by governmental authorities and local OA organisations. Indeed, official data provided by the Ministry of Agricultural and Food (MAF) show a fourteen-fold increase in the number of organic operators (producers, processors and

[2] For example, Vassileva et al. (2014), Bachev (2010), Miteva (2008), Kayryakov (2008), and Vitosha Research (2009).

traders) and a ten-fold increase in the area of organic agricultural since 2006 (the year preceding the accession of Bulgaria to the EU).

Figure 1. Number of organic operators

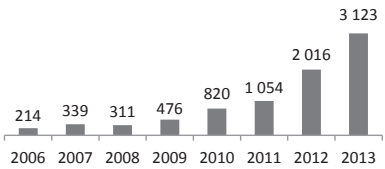
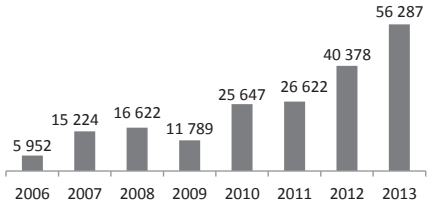


Figure 2. Total organic agricultural area (ha)



Source: MAF 2014, p. 54.

At first glance, the development of the OA sector in Bulgaria appears to be a success story. However, the institutional analysis on which this article is based yields data that challenge this conclusion. Although the origins of the organic concept can be traced back to the beginning of the 1990s, it was not until the last couple of years that the number of organic operators increased significantly. We also observe that an OA Action Plan was developed and policies and agri-environmental support payments were implemented. Despite the proclaimed "boom" in OA, only 1.1%[3] of the agricultural land in Bulgaria was managed organically in 2013. Additionally, the domestic organic food market is underdeveloped: the largest portion of OA production is intended for export, and organic products accounted for only 0.5% of the entire food market in Bulgaria in 2013[4]. Thus, the goals specified in the Action Plan – organic management of 8% of the agricultural land in Bulgaria and an organic food market share of 3% by 2013 – were not achieved. There is also evidence that calls into question the potential of OA to encourage socially and economically productive activities. In particular, it appears that the practice of OA may be driven by the desire to receive subsidies rather than by market realisation, which could threaten the sustainable development of the sector. Using the "black box" allegory to approach the above observations, this

[3] It is peculiar that none of the MAF annual reports specify the ratio of certified organic land as a percentage of total utilised land. The percentage indicated above is calculated based on total utilised land (4 995 111 ha) and total organically cultivated land (56 287 ha) according to the latest agricultural statistics (MAF 2014).

[4] Because official statistics provided by the MAF do not indicate the market share of organic food, the cited data were obtained from farmer-led organisations.

article aims to explain the institutional development of OA in Bulgaria during the period spanning 1990-2013. Using the institutional analysis perspective as an analytical tool, the article addresses two main research questions: 1) *What were the driving forces behind the emergence of the OA concept and its political recognition?* and 2) *What factors led to the questionable outcomes of OA development?* Using qualitative data, the article also critically assesses the "boom" in the OA sector indicated by official statistics.

Institutional analysis as an analytical tool to study OA development

The institutional analysis applied to the study of OA development in Bulgaria follows the approach used by Michelsen et al. (2001). Indeed, the present study involves an in-depth analysis of the phenomenon in six EU national contexts. This approach focusses on the study of OA as a special line of development within the context of agriculture rather than within the broader context of society as a whole. The approach applies a theoretical model wherein agriculture constitutes a meso-level sector and agricultural institutions are found in three distinct domains: the state, the market and civil society. In this model, civil society is a farming community domain, the state is an agriculture policy domain, and the market is a food market domain. Within the farming community, domain organisations are based on farmers' solidarity and represent farmers' interests through farmer unions and training and advisory services. The agriculture policy domain is concerned with public intervention in OA. The food market domain is governed by supply and demand for different types of food products. In a study by Michelsen et al., the model served as a framework for examining the institutional changes that led to the development of OA and provided a basis for formulating a path for the successful development of OA in Western countries. The path follows 6 main steps. The first step entails the establishment of an organic farming community. The second step pertains to the political recognition of organic farming standards and certification as a basis for distributing products and recruiting farmers. The third step is the introduction of financial support for organic farmers. The fourth step involves the positive involvement of general farmer organisations in OA growth, while the fifth step is the development of an organic food market governed by market mechanisms. Finally, the sixth

and final step is the establishment of an institutional setting in the form of an administrative committee, umbrella organisation, advisory board or other type of discussion arena to facilitate the necessary coordination among the farming community, agriculture policy and the food market. Although the 6-step approach was formulated to study the development of OA in Western European countries, it also appears to be a useful tool for identifying institutional gaps and opportunities for sectoral growth in a post-socialist context[5]. This approach makes it possible to identify the main actors in the institutionalisation processes and contributes to a comprehensive understanding of the dynamics of the OA sector. In addition, the theoretical division of the institutional environment of the agricultural sector into three main domains reveals the processes through which the OA concept was introduced in Bulgaria, how it achieved (or did not achieve) recognition as an alternative to mainstream farming practices, and the specific roles of different actors. The analysis of institutional changes within each domain shows the contribution of each domain to OA development in Bulgaria and exposes the contradictory outcomes produced by these changes. Following this methodological background, the analysis focusses on the meso level of the institutional environment and uses as its main indicator the institutional changes that led to the development of parallel (to the mainstream) OA organisations in all domains: the farming community, agricultural policy and the food market. The analysis is based on qualitative data gathered during the period spanning 2013-2015. Indeed, the evaluation comprises: 1) a secondary analysis of literature and normative documents relevant to the research topic and archive materials from sessions of working groups, committees, and related organisations; 2) 22 semi-structured in-depth interviews with key informants working in OA research, members of OA associations, Swiss consultants working for the promotion of OA in Bulgaria, environmental and consumer organisations, retailers, policy decision makers, and administrative, certification and regulatory bodies; and 3) data from a social network analysis of 16 semi-structured interviews with individuals who were identified as the most influential actors at the policy level. Because this methodological approach has certain limitations – in particular its focus

[5] See, for example, the research of Moschitz et al. (2004) where the Michelsen et al (2001) approach was applied to study OA development in former socialist countries such as Hungary, Poland and Slovenia.

on the meso level of the institutional environment and its failure to consider the reactions of organic operators to institutional changes – data from 32 case studies of organic operators are also used to provide additional support for the findings.

The institutional pathway of OA development

Institutional changes within the farming community domain

Two driving forces influenced the emergence of the OA concept in Bulgaria and laid down the foundation for the emergence of the OA community within the national agri-food system. These forces are provisionally called "internal" (domestic) and "external" (international) forces (Stoeva et al. 2013).

The concept of OA in Bulgaria was first conceived by academics working in the plant protection field. At the beginning of the 1990s, lecturers and professionals with an interest in ecological methods of farming established the Agriecological Center (AC) at the Agrarian University (AU) in the city of Plovdiv. The AC became the first "internal" driver of the OA concept, organising training seminars on its principles and methods of production throughout the country. In the mid-1990s, academics from the AC became the founders of the first Bulgarian NGO in the OA field, "Ecofarm" – an association for organic farming. The main goal of Ecofarm was to support its members and partners in all types of OA activities, including through consultancy and the training of organic farmers. The AC also acted as a certifying organisation until the establishment of the first control and certification body, which received national accreditation in 2003. During the period spanning 1996-1999, the AC and Ecofarm jointly developed two demonstration organic farms, training programmes and scientific bases (Stoeva 2016).

In the mid-1990s, a second and "external" driving force began to introduce the organic concept in parallel with the AC and Ecofarm. Switzerland has supported the transition process in Bulgaria since 1992. Its support has included technical cooperation measures implemented by the Swiss Agency for Development and Cooperation (SDC) and the State Secretariat for Economic Affairs (SECO). Since 1996, the SDC has focussed on promoting OA in Bulgaria, endeavouring to transfer the Swiss OA

experience to Bulgaria within the framework of a project called Support to Organic Agriculture Partnership (SOAP) (Giger et al. 2007). SOAP has several main objectives. First, the processes of de-collectivisation and privatisation have led to the emergence of numerous but mostly small inherited plots of land. Most of these plots have remained uncultivated due to a lack of experience on the part of the landowners (a considerable portion of whom live in cities and have been cut off from villages) or a lack of funds to invest in the plots. Additionally, the very mountainous and hilly areas of Bulgaria have been almost entirely dependent on available natural resources. Hence, supporting the sustainable use of natural resources was perceived as beneficial both for environmental conservation and as a means of improving the living conditions of the population, especially in rural areas (Giger et al. 2007, p. 12). Finally, the development of OA was seen by the Swiss as a tool that would enable Bulgarian agricultural products to enter European markets. During the period 1996-2004, the goals of the Swiss support changed several times, mainly due to the need to adjust the instruments of support. The team sent to transfer the Swiss experience and promote OA was completely unfamiliar with the situation in the rural areas of Bulgaria. As reported by a key informant, the team had no knowledge of the local context and was surprised to find that instead of a farming community,

> *…in rural areas there were no farmers at all but economists, bankers, teachers, pensioners and unemployed people trying to farm the land… all kinds of people who had land after restitution and wanted to produce organically but knew nothing about agricultural production… So our aim to promote OF was too ambitious* (Swiss consultant working for the SOAP project).

In a sense, the task was not to promote OA but, rather, to create farmers. That task became even more important in a context in which neither demand nor a market for organic produce existed and financial resources were lacking due to the difficulty of accessing credit for farmers. All of these "gaps" in the institutional environment triggered another change in the Swiss strategy, specifically the need for a local actor who could provide further training and consultancy to people interested in OA; indeed, this became an important objective. In 1997, SDC, with the support of the Swiss Institute for Organic Agriculture (FiBL), established the second consultancy NGO in the field of OA

– the Foundation for Organic Agriculture, or "Bioselena"[6]. In the late 1990s, a special credit line (a guarantee fund) was created within the cooperation programme to promote the development of agricultural entrepreneurship in an area of the Central Balkan region. One of the priorities of the credit line was the development of OA. However, although this financial instrument led to the creation of organic farms in Bulgaria, it failed to stimulate substantial interest in the marketing of organic products. As explained by a Swiss consultant, the biggest challenge became the generation of incentives to convert to organic practices that went beyond farmers' financial interest in receiving credits. The creation of market opportunities for the organic sector appeared to be a reasonable solution. The next step taken by the Swiss was the establishment of a marketing organisation to promote market-oriented OA. In 1999, SECO partnered with FiBL to create the first organic cooperative, "Bio Bulgaria". However, Bio Bulgaria remained active for only a few years, as limited financial funds were allocated to the creation of the cooperative, and thus it quickly disintegrated (Stoeva 2016).

The AC, Ecofarm and Bioselena were the only organisations working in the OA field for nearly ten years[7]. It was not until 2003 that new organisations joined the organic community. These organisations included the first farmer-led OA organisation in Bulgaria, namely the Association of Organic Beekeepers (AOB); a local branch of the Swiss company SGS S.A., which became the first control and certification body to be accredited by the Ministry of Agriculture and Food (MAF); and the first national Bulgarian certification organisation, "Balkan Biocert Ltd", which was funded by SECO. Six years later, only two additional farmer-led organisations had emerged: the Bulgarian Organic Products Association (BOPA) in 2009 and the Bulgarian Organic Trade Association (BOTA) in 2010. Before discussing the role of these organisations in the political recognition of OA, several conclusions regarding institutional changes in the community domain must be disclosed. *First*, during the 1990s, the origins of the organic community in Bulgaria were established without the participation of farmer-

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[6] In the early 1990s, the first partner of interest in the SOAP project was the AC in Plovdiv. However, a partnership was never established.

[7] In 1999, another private organisation appeared, namely the association "Agrolink". Agrolink aimed to provide networking and advocacy for environmental protection in rural environments. However, like the other existing NGO organisations, the association became focussed primarily on consultancies.

led organisations, which directly affected the dynamics of community development over the long term. In particular, the prevalence of training and consultancy organisations influenced the level of unity and integration of the community. Until 2013, only 5% of organic farmers were members of BOPA, whereas the members of BOTA included as many as 20 traders (data from BOPA and BOTA key informants). Although one need not be a member of an organisation to be a part of the community, the low membership levels suggest little interest in participating in collective actions. *Second*, the limited ability of the community to stimulate solidarity among farmers and an interest in collective actions suggest that the OA concept is not yet fully mature and is often "substituted" by the desire for short-term financial gain (as long as agri-ecological subsidies continue). During the period of investigation, the analysis failed to identify any examples of spontaneous regional or branch cooperation that directly facilitated the market realisation of produce or defended the interests of producers at the local level. *Third*, data from the case study sample showed that a key element is missing among organic operators, namely a value-based commitment to the principles of OA at the expense of earning additional income from subsidies; consequently, interest in collective action is limited. OA is mainly practiced as a part-time activity by people who live in urban areas and who have had no previous intensive contact with rural areas. There are a few common values, interests and objectives among the group of organic operators in the case study sample; thus, this group is unlikely to constitute a "community" in sociological terms (Pickard 2016). One conclusion that can be drawn is that the "internal" and "external" drivers that fostered institutional change in the community domain failed to promote the OA concept as a value-based agricultural practice. However, the AC, Ecofarm and Bioselena each contributed to the political recognition of OA and its inclusion in national agricultural policies. Their specific roles and how and why OA gained political recognition are addressed in the following section.

Institutional changes within the policy domain

During the 1990s, Bulgarian agriculture faced many pressing issues, including land restitution and the restoration of farms after the large cooperatives were dissolved. In this context, political authorities perceived OA as a marginal problem. It was not until 1999 that the AC, Ecofarm and Bioselena managed

to generate interest among public officials and politicians by lobbying for OA and highlighting its importance for sustainable agriculture and the preservation of traditional farming practices. As a result, the first legislation (Ordinance 15/ 3.8.1999) addressing the production and labelling of OA food and produce was enacted. Although this ordinance remained in force for only a couple of years, its enactment was an important step toward the emancipation of OA from mainstream agriculture. Nonetheless, it was not until the beginning of the EU pre-accession process that political interest in OA increased. In line with the transposition of EU legislation and the implementation of the acquis communautaire of the Common Agricultural Policy (CAP), Bulgaria developed its first National Rural Development Plan 2000-2006 (NRDP) in compliance with Regulation EC 1257/99. The plan served as the basis for receiving funds under the SAPARD Programme. Agri-environmental activities, including support for the conversion to OA, were established through a special measure. In the same year, with Swiss support and within the framework of the SOAP project, representatives from organic community organisations and from the MAF formed a working group. Following Regulation (EEC) 2092/91, this group elaborated on ordinances for organic plant growing and stock breeding that replaced Ordinance 15. A commission on organic farming was formed to advise the Minister of Agriculture on granting licences to control and certification bodies. However, no other state intervention, financial or otherwise, was introduced during the next couple of years (Stoeva 2016). The only mechanism for OA support was the SAPARD measure, which was unusable because it did not receive accreditation until 2006[8]. Nevertheless, several changes occurred within the policy domain. The first and only National Plan for Organic Farming Development 2007-2013 (NPDOF) was developed in 2004-2005. The impetus for this plan came not from the state, but from the external driving forces. During the implementation of the SOAP project in Bulgaria, the Swiss consultants who focussed on the creation of consultancy structures with technical and management expertise discovered that these structures failed to mobilise substantial interest in OA. In 2003, there were 29 organic

[8] According to a key informant, there were two main reasons for the lack of state support for OA. First, there were institutional and personal conflicts among representatives of the MAF and the Ministry of Finance. The second reason was more technical: although the measure envisaged compensation per unit of arable land, the system of fixing and controlling land units through digital ortho-photo maps was not yet in place in Bulgaria.

operators and 650 ha of certified organic land (data from Bioselena Foundation). The need for participation by a wider range of actors in OA and for interaction between existing community organisations became tangible and called for a planning mechanism to further the development of OA in the country (Giger et al. 2007). The main goal of the plan was to further improve OA legislation as a means to help farmers convert to OA and to promote OA products under the CAP umbrella. However, the plan established a rather optimistic goal, namely that, by 2013, certified organic land would account for 8% of the total agricultural land in Bulgaria (however, certified organic land's share of total agricultural land at the end of 2013 was 1.1%, far below the intended target).

It was not until 2008 that Special Measure 214 ("Agri-environment payments") was introduced into the NRDP 2007-2013. This measure provided for compensatory payments (subsidies) for conversion to OA. However, the implementation of the measure was troubled from the outset. The ordinance that was supposed to establish the conditions and rules for the implementation of Measure 214 was published less than one month before the official start of the application period; thus, those interested in applying did not have sufficient time to prepare the required documents. Another obstacle was the lack of capacity of the relevant authorities to provide consultancy and administer the application documents, which directly affected the absorption rate of funds[9]. In addition, the ordinance was extremely restrictive, leading to the rejection of a large number of subsidy applicants and reduced subsidies for the small number of successful applicants. As reported by a key informant:

> *For the period 2008-2009, the absorption rate of funds under Measure 214 was 1%. Farmers who applied received numerous penalties because they were insufficiently advised. So, the measure was badly promoted from the beginning* (Former Deputy Minister of Agriculture, 2010-2013).

[9] At the beginning of 2008, the National Service for Agricultural Extension (NAAS) began to provide advisory services to farmers eligible to apply under the measure. However, it became clear that NAAS needed additional personnel and training to fulfill its responsibilities. There were certain knowledge deficits among NAAS employees related to the development of business plans and completion of the application (MAF 2008).

The problems that plagued the implementation of Measure 214 triggered the establishment of two additional organic farmer-led organisations – BOPA and BOTA. As one of the founders and chairman of BOPA explained:

> *There were a lot of mistakes in the legislation, which was very unprofessional and burdensome. The sanctions were imposed upon us as if we were criminals. That is why certain farmers decided to form the association. Hardship brought us together.…*

In response to pressure from these organisations, the Ordinance was amended in 2009, leading to a substantial reduction in the amount of time required to process applications and a simplification of the application documents.

Based on information received from key informants, certain conclusions about institutional changes within the policy domain must be stated. *First*, contrary to the entire decade of the 1990s, the state became a factor in OA development in Bulgaria after 2000. However, the participation of the state in this process seemed to be triggered not by its recognition of the importance of OA in the sustainable use of natural resources and the provision of public goods but, rather, by the pressure of imminent accession to the EU and the fact that the agri-environmental measure was the only compulsory measure for all EU member states and a key element in the integration of the concept of environmental protection into CAP. In this regard, the establishment of a national agri-environment policy in Bulgaria became a crucial requirement for compliance with EU strategic guidelines regarding the development of agriculture and rural areas. *Second*, the organic community played an important role in the political recognition of OA, although the cooperation among involved organisations was, to a certain extent, driven by SDC and SECO. The role of the Swiss support should not be underestimated given that the SOAP project initiated and co-financed the OA Action Plan. *Third*, the role of the state was two-fold. It successfully harmonised Bulgarian OA laws with EU legislation; however, an inconsistency between political goals and measures can be observed. This inconsistency is evident in the delayed start of SAPARD and the administrative obstacles to the implementation of Measure 214. Whether the political recognition of OA and the flow of EU subsidies into the Bulgarian agri-food sector influenced the development of the organic food market is analysed in the next section.

Institutional changes within the food market domain

The institutional changes that occurred within the market domain seem to have commenced later than those in the community and policy domains. Indeed, the first efforts to introduce market mechanisms to OA began at the end of the 1990s, when the first organic cooperative was funded by the Swiss support mechanisms, with short-term success. As a result of the efforts of the AC and Ecofarm Association, the first stand offering organic products appeared in 2000 in one of the largest cities in Bulgaria, although that initiative ceased within a couple of years due to a lack of consumer interest (Stoeva et al. 2013). In 2005, organic products began to appear in certain supermarkets (Apostolov 2013). In 2012, OA gained a presence at the biggest international agricultural exhibition in Bulgaria, "Agra", with the first specialised exhibition of organic plants and livestock, called "BioAgra". However, within the period under investigation, there was no emergence of a separate farmer marketplace exclusively for organic products. Until 2009, approximately 2100 organic products were available on the market, although only a small share (54 in total) were produced domestically. Despite the lack of any official MAF data about organic food market dynamics, information from key informants indicates that organic food purchases constitute less than 0.5% of total food purchases in Bulgaria. The largest portion (90-95%) of OA production is intended for export, not for the domestic food market (data from Bioselena, BOTA).

The small size of the domestic organic food market may be explained by various factors. First, most organic producers are rather small, with 2 to 3 ha of land, and thus cannot ensure sufficient production for the domestic food market or for export. Large organic trading companies are few in number, and those that exist have a strong export orientation, providing only a small amount of production to the domestic market. According to the key informants, another factor hindering the development of the organic market is the limited state support for market initiatives. Data from the case studies indicate that organic producers lack an interest in engaging in value-adding activities such as processing and marketing, i.e., activities that are not funded by state subsidies[10]. In addition, the very nature of Measure 214,

[10] Although the National Rural Development Programme 2007-2013 provides other financial instruments that can be used to finance the processing and marketing of organic products, Measure 214 offers the highest subsidies. A good combination of agri-

which provides subsidies without imposing any production requirements on farmers, often demotivates operators and discourages them from investing time or resources in the search for market channels. As a key informant explained:

> *OA is considered by most people as "some money is provided, let's get it right now" … they do not think about what they will do with the production* (former Director of the MAF Agri-environmental Department).

Data from the case studies also show that many organic operators sell their products as conventional, not organic, because they are unable to find market realisation for organic products (and often do not even seek it). The only exhaustive survey of the organic food market in Bulgaria, which was funded by the NPDOF in 2009, indicates very low demand for organic products, as only a small share of customers actively seek organic products (Vitosha Research 2009). The lack of interest in organic products can be explained by insufficient knowledge about the meaning of the term "organic." In particular, consumers find it difficult to distinguish between "organic," "natural" and "eco" products, which leads to a lack of trust in organic products. In addition, the price of organic products appears to remain a strong disincentive for consumers (ibid). Although it would be an exaggeration to claim that organic products are predominantly purchased by high-income consumers, the higher price of organic products clearly affects purchases. Thus, low incomes in Bulgaria present a serious obstacle to the development of the domestic organic market.

All of the problematic trends within the domains discussed thus far raise the question of how the OA institutional pathway in Bulgaria should be evaluated. Applying the 6-step path to successful growth developed by Michelsen et al., the next section critically discusses the outcomes of the institutional development of OA. The "boom" in the OA sector, which has been broadly proclaimed by governmental authorities and a number of OA organisations over the last couple of years, is also subjected to comprehensive analysis.

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environmental activities can yield subsidies as high as 900 euros per hectare of arable land.

Evaluation of the OA institutional pathway

Although the 6-step path is a rather normative approach to OA, in the sense that it illustrates what successful development should look like, it allows for the identification of certain processes that foster or hinder the growth of the OA sector. The identification of certain deviations from the "recipe for success" is an important prerequisite for the comprehensive understanding of the actual growth of the sector and may explain what distinguishes OA development in Bulgaria from that in Western European and other post-socialist countries. The application of this approach may reveal that OA development in Bulgaria has completed all of the steps and thus appears to be a "success story". An organic community did appear, although its appearance was not driven by farmer-led organisations, which directly affected the power of this community to unify farmers in collective actions (step 1). OA also received political recognition, although this recognition came as a result of pressure from imminent EU accession and the transition to CAP (step 2). Financial support was introduced under SAPARD and within the NRDP 2007-2013; however, its implementation was plagued by many institutional and administrative problems (step 3). There are examples of interrelationships between organic and mainstream agricultural institutions which can be viewed as positive to the extent that no conflicts between the two types of institutions were identified during the period under investigation (step 4). Certain positive trends within the organic food market could be observed, although its domestic development remains the most important challenge (step 5). With regard to the final step, we may find examples of platforms that were established to facilitate discussions and exchanges between the policy and community domains[11]. However, we can assume that within these platforms, most efforts were dedicated to policy development and the implementation of financial instruments rather than market initiatives or the unification

[11] For example, working groups comprising various stakeholders in OA and mainstream agriculture elaborated on the national legislation, the Action Plan and the measures to support organic producers under SAPARD and the NRDP 2007-2013. Within the MAF structure, an OA Commission was established. The role of the OA Commission is difficult to assess because none of the key informants recognise it as a main player in solving problems or coordinating interrelationships among the three domains or between OA and the mainstream.

of the organic community and the organic movement in general (Stoeva et al. 2013).

The application of the approach taken by Michelsen et al. shows that the development of OA in Bulgaria followed a top-down institutional model rather than vice versa. *First*, for a long time, farmer-led organisations were not represented in the Bulgarian organic community. Rather, the OA concept was first conceived by academics and donor-driven organisations. This characteristic is not exclusive to the Bulgarian case. Indeed, Michelsen et al. (2001) assumed that in many Western countries, OA was developed by people who had little connection to mainstream agriculture. However, what distinguishes the Bulgarian case is that, whereas consumer interest in alternative foods and farmer-led organisations were the main drivers of OA development in most countries studied by Michelsen et al., these factors were not the initial drivers in Bulgaria. In addition, although EU accession appeared to be the main external trigger for OA development in most Central and Eastern European countries (Moschitz et al. 2004; Moschitz and Jahrl 2014), non-EU forces (SECO and SDC) were crucial to the dissemination of the OA concept and the creation of consultancy and certification organisations parallel to the mainstream organisations in Bulgaria. *Second*, most strategic documents (such as the Action Plan) and the first national standards and legislation applicable to OA were elaborated on without the participation of the main target group of OA policy, i.e., the organic operators. As concluded by Slavova et al. (2015), these findings show that agricultural policies were developed without the participation of farmers or representatives of farmer organisations.

The outcomes of the top-down institutionalisation can be summarised as follows. *First*, the belated establishment of farmer-led organisations hindered the development of the OA sector by making it more difficult for the organic community to stimulate an interest in cooperation and the unification of farmers in collective actions. Evidence from the case studies shows that conversion to OA is often subsidy driven rather than value driven, indicating that community organisations were unsuccessful in promoting OA as a value-based agricultural practice that produces both public and private benefits. The discourse of organic operators in the case study sample reveals that OA is often viewed as a tool used to receive subsidies, and not as an instrument for the sustainable use of natural resources. For example, in several cases, the conversion to OA under the "Young Farmer" measure within the NRDP

2007-2013 was driven by the fact that engagement in agri-environmental activities increased farmers' scores on project applications, thereby increasing their likelihood of being approved and granted subsidies relative to projects without such engagement. *Second*, the official statistics of the MAF show that the number of organic operators has increased significantly since 2009, the year that subsidies under Measure 214 in the NRDP 2007-2013 were introduced (Chart 1). However, the "boom" in the number of OA operators does not correlate with available data for the domestic organic food market, which remains rather narrow. Indeed, the case study data show that many OA operators export their production because they find market realisation in European markets. At the same time, a substantial portion of OA operators do not seek to market their production as organic, preferring instead to gift it to family, friends and relatives or to sell it as conventional produce. *Third,* a closer examination of the MAF statistics shows that although organically cultivated land accounted for only approximately 1.1% of total agricultural land in Bulgaria in 2013, this share represents a nearly ten-fold increase over 2006 (Chart 2). However, what draws our attention is that among the certified organic crops, the highest share is attributable to perennial crops. Since 2009, interest in nuciculture crops (walnuts, hazelnuts, almonds and chestnuts) – which qualify for the highest subsidies (up to 900 euro/ha, according to Ordinance 11, Article 12) – has continually increased. The publically available list of a certification body that controls approximately 1/3 of all organic operators in Bulgaria shows that in 2013, out of a total of 1013 operators, approximately 40% were growing walnuts. The growing interest in crops that garner the highest subsidies cannot be ignored. There is thus room for the hypothesis that subsidy levels influence the choice of organic crops and the conversion to OA in general. The "nuciculture boom" in Bulgaria is not an isolated case. In 2010, the financial funds allocated to support organic agriculture in Poland were embezzled on a massive scale through non-existent walnut plantations (Kreuzer 2010). Although the misuse of subsidies in the Polish case was explained by the allegedly lax oversight exercised by control bodies at that time, it would not be far-fetched to conclude that the attractive conditions provided by the financial instruments designed to support OA could cause the emergence of "*subsidy hunters*" in Bulgaria (EC Working document 2014: 30). In other words, we could well assume that the increased interest in OA is driven, to a certain extent, by attractive subsidies in a context in which the organic food market remains small and organic operators often

lack the motivation to market their produce as organic (or at all). If we embrace this assumption, then the "boom" of the OA sector could be called into question, despite the growth indicated by the official statistics.

Conclusion

The application of the institutional approach put forth by Michelsen et al. revealed the processes through which the OA concept was introduced in the Bulgarian context and the efforts to distinguish OA as an alternative to mainstream farming practices. This approach enabled the identification of key actors within the institutionalisation process and the main factors that contributed to the contradictory outcomes of OA development in Bulgaria. OA did not develop through a pathway similar to that of Western European and certain other post-socialist countries. It did not originate as a result of bottom-up pressure from farmers and consumers but, rather, emerged due to the top-down influence of other social structures, including academics, consultancies and foreign-supported organisations. Among these structures, the role of Swiss support was crucial because it provided financial resources to OA, whereas the practice was perceived as marginal by the state and was not a subject of Bulgarian agricultural policies during the 1990s. However, the Swiss support failed to develop a context-based strategy for introducing the OA concept and fostering sector development, as evidenced by the constant changes in SOAP project goals. This failure permits the conclusion that the "copy-and-paste" transfer of development models from Western European countries to post-socialist countries without consideration of the specific national context, may lead to questionable results.

The political recognition of OA in Bulgaria also followed a top-down model, with policies developed in response to pressures related to imminent EU accession but without the participation of farmer-led organisations. Moreover, the only priority of the national authorities in developing OA was to harmonize Bulgarian agricultural policies with EU legislation and to respond to CAP concerns.

Although the statistics indicate a "boom" of the OA sector, the qualitative data reveal practices among organic operators that raise questions about the actual growth of the sector. What "stands behind" the official statistics is a subsidy-driven (not value-driven) conversion to OA, organic products

being marketed as conventional, and an underdeveloped domestic organic food market.

There is a particular question which should be addressed by future research, namely whether the development of the OA sector within the new programme period (2014-2020) will be marked by a further shift away from the principles of OA and an increasing number of "subsidy hunters" or whether it will follow the path of sustainability. At this time, the development of OA remains a challenge because interest in collective action and cooperative interrelationships among organic operators has yet to be developed. Although EU subsidies led to increases in the number of organic operators and the area of arable land, they failed to stimulate market opportunities and led to an attitude among operators that OA is a value-based agricultural practice that aims to provide public goods through the sustainable use of natural resources. More importantly, OA appears to be practiced primarily by urban residents as a part-time or "add-on" activity, which might create a challenge for OA development in the long term.

Acknowledgments

The article is supported by the Swiss Enlargement Contribution within the framework of the Bulgarian-Swiss Research Programme through the project "Addressing socio-economic regional disparities: the potential of organic farming for strengthening rural areas in Bulgaria (Bulgaria Organic)".

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