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# Cooperative models in Bulgarian and Spanish agriculture

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C-BIRD project  
[www.c-bird.eu](http://www.c-bird.eu)



ТРАКИЙСКИ УНИВЕРСИТЕТ  
СТАРА ЗАГОРА



**Euricse**  
European Research Institute on  
Cooperative and Social Enterprises



**UCC**  
University College Cork, Ireland  
Coláiste na hOllscoile Corcaigh



# C-BIRD project – who we are?



University of Cork,  
Ireland



Euricse  
European Research Institute on  
Cooperative and Social Enterprises

Italy

COEXPHAL Spain



ZiP-Centar, Serbia



Trakia University,  
Bulgaria



AGROCONSULT  
ENGINEERING

Bulgaria



University of Almeria, Spain

## Our aim is...



.....to promote the better understanding of **sustainable rural development** across Europe, and to support the knowledge and practice on how **cooperative business** contributes to the emerging economic, social and environmental challenges.



How? – **mapping rural actors and rural system**; outline mechanisms and facilitators for **sustainable dialogue at horizontal level**; and facilitate the **knowledge-sharing process**.



# Why cooperatives in agriculture?

**10,7 million cooperative employees & 9,2 million worker-members worldwide**

**21 769** agricultural  
cooperatives in  
Europe



**6 172 746**  
cooperative  
members



**347 342 m€**  
turnover

*Gross value added of the agricultural  
industry, EUROSTAT, 2014*





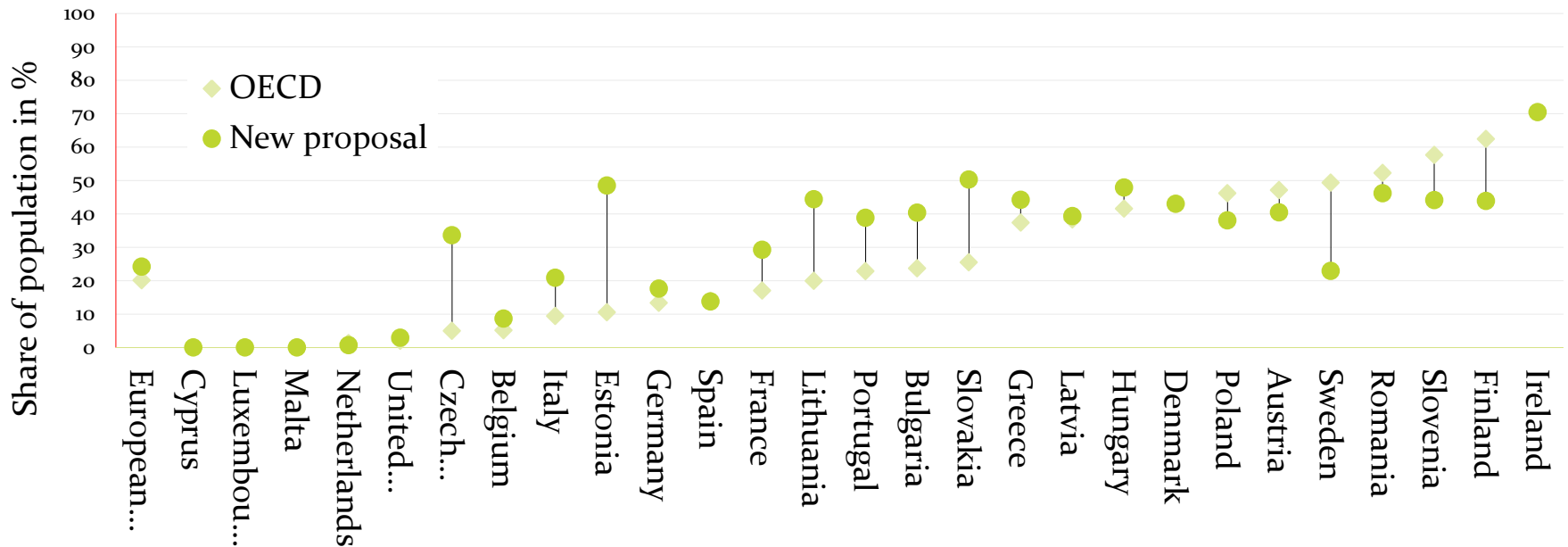
# Why in rural areas?



**DIVERISTY!**



## Predominantly rural regions



## Rural development is:

- **External (central) intervention** - to protect the loss of rural values rules, financial aid, rural policies in general
- **Aspiration of local people** - to improve their own lives through: unlocking local resources and attracting external ones, searching for 'new futures'

## Human dimension

Demography, Education, Social structure,  
Culture, Urban life style

## Economic dimension

Agriculture, Forestry, Rural Industry,  
Services, Tourism, New economy

## Resources and Environment

Pollution, Biodiversity, Land-cover change,  
Fragmentation

## Political dimension

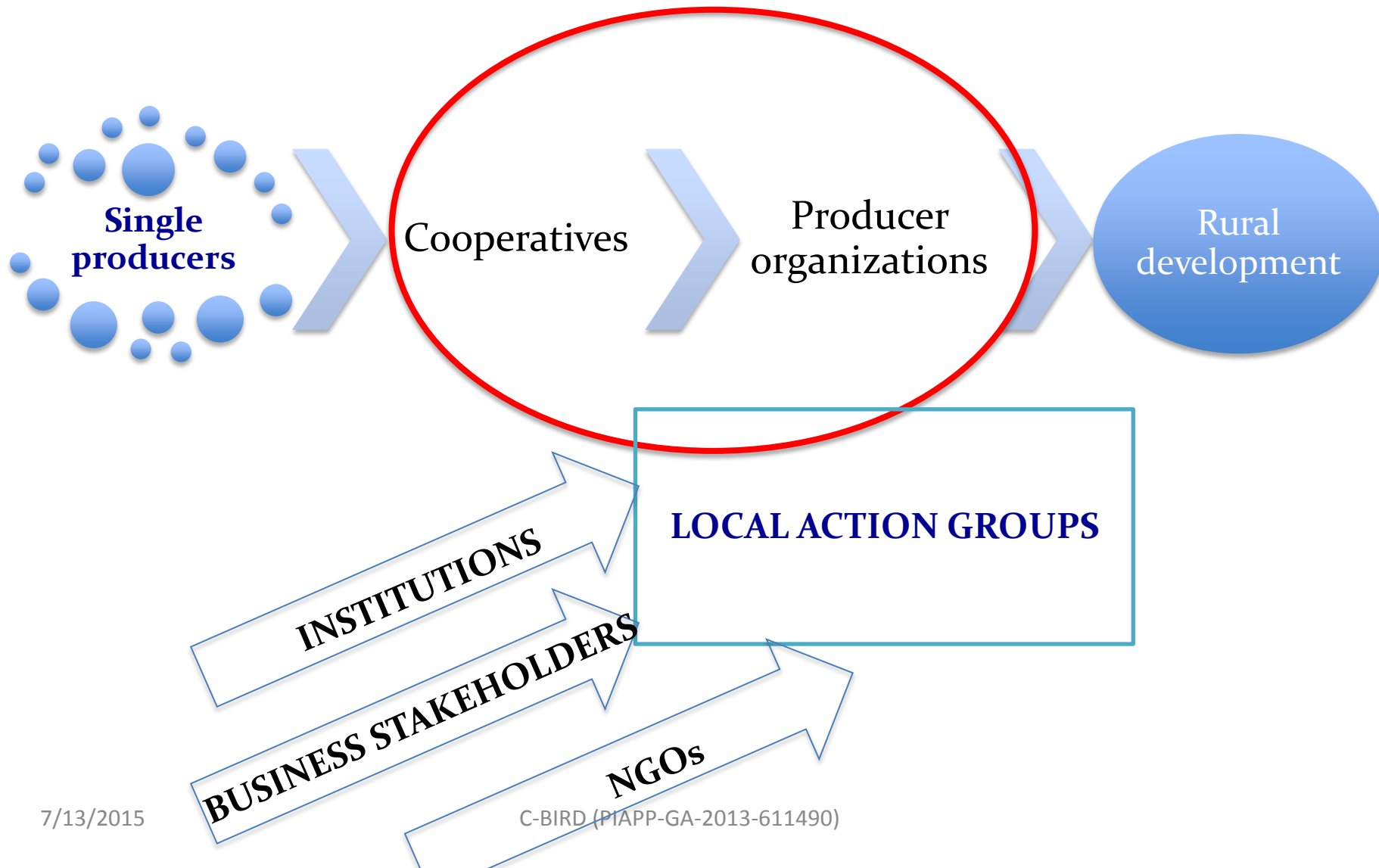
## Science and technology

# Integrated system of rural development

Improvement of local  
markets and local economy

Community sustainability –  
**improve rural livelihoods**

# Who is involved?





# What makes the difference?

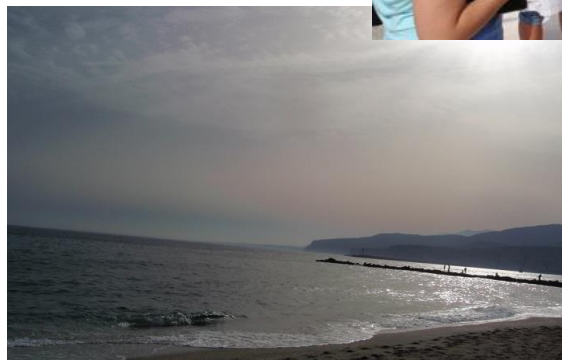


## DRIVERS OF GROWTH

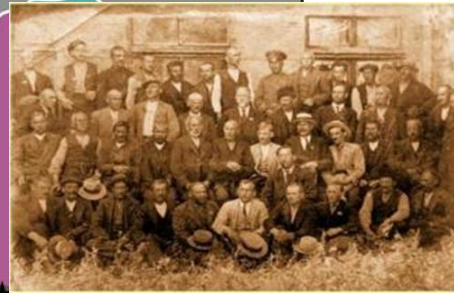
- Natural resources and environmental quality
- Infrastructure and accessibility
- Quality of life and cultural capital
- “Wide” sectoral structure

## BARRIERS TO GROWTH

- Negative demography (loss of young people and ageing)
- Remoteness: Poor accessibility, infrastructure and communications
- Narrow sectoral structure



# Cooperative history in Bulgaria

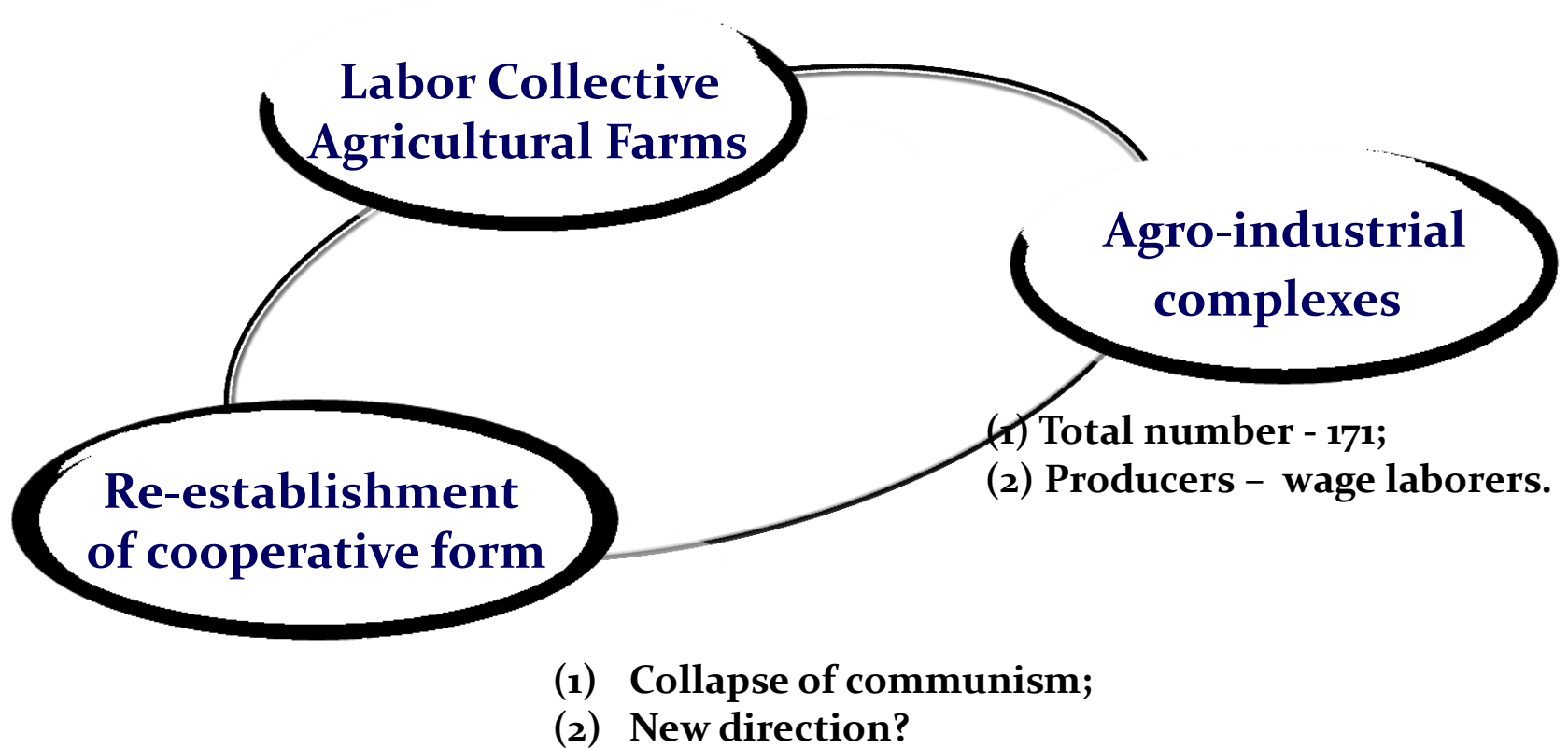


**1890s** – the first credit cooperative in Mirkovo



# The change after 1946 and collectivization process...

- (1) 98 % concentration of land;
- (2) Payment of land rents in the collectives was discontinued.





### **Inherited problems:**

Deindustrialization of rural areas; Inefficient land reform; Liquidation of state coops.

### **External problems:**

Increased competition; Globalization of the markets; Increased requirements.

### **Institutional problems:**

CAP support orientation; Difficult access to market, finance; Low quality of life in rural areas.



*Depopulation of villages, 2014*

# The European Union enlargement

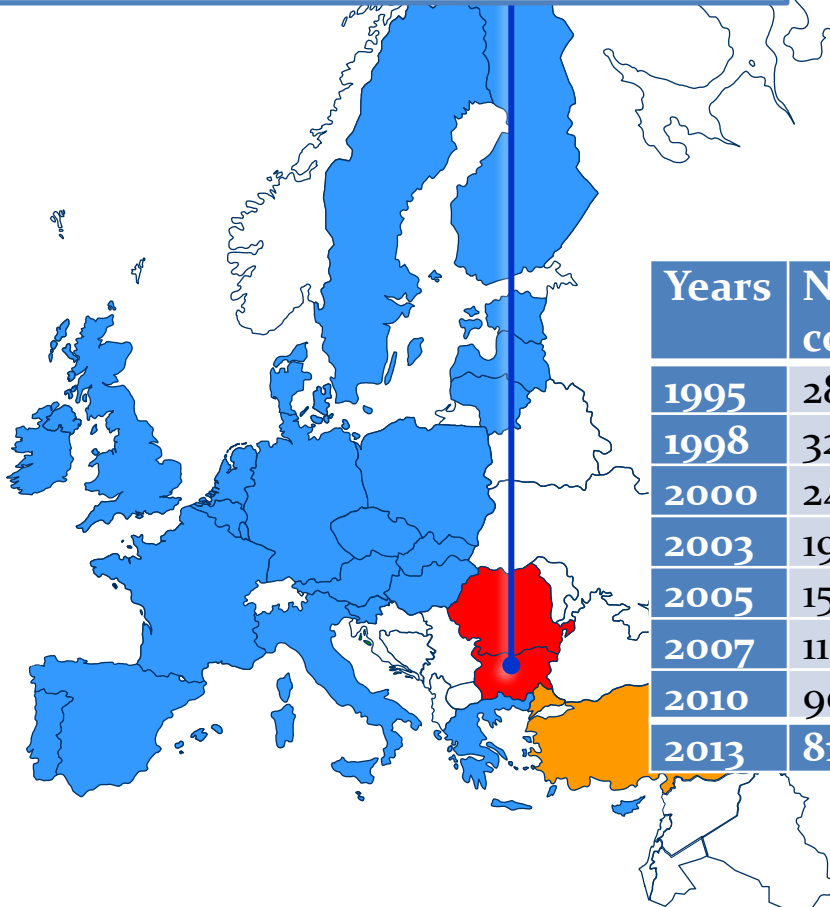
“Special attention is warranted in the case of **farmers' organisations** the particular objective of which is the joint production or marketing of agricultural products or the use of joint facilities....”

*Council Regulation (EC) No. 1184/ 2006*

New Member States (2007)

Bulgaria, Romania

The total number of holdings in 2007 in the EU-27 was **13,7 million** and the corresponding share of subsistence farms (SF) and semi-subsistence farms (SSF) was equal to **46,6%** and **34,5%**.



Years	Number of cooperatives	UAA (th.ha)	Average size (ha)	UAA(%)
1995	2815	2158.8	766.9	45.9
1998	3269	2427.2	760,1	40.3
2000	2405	1738.6	722.9	41.0
2003	1963	1169.3	587,0	40.0
2005	1525	890.87	584.1	32.6
2007	1115	726.3	651,3	23.8
2010	900	640.7	711,8	17.7
2013	811	565.4	697.13	14.9

*Department “Agro statistics”*  
Ministry of Agriculture and Forestry in Bulgaria

# Cooperative model in Almeria





# Starting from the 60s...



## ✓ Initial stage 1960-1975

Emergence of the cooperative business model and the role of the cooperative banks, new needs for commercialization, investments and investigation

## ✓ Takeoff 1975-1990

Socio-economic problems, environmental situation, unemployment and instability. Cooperative response and emergence of entities representing cooperative sector.



## ✓ Maturity 1990-2000

Emergence of the agro-industrial model, world changes and globalization trends, increase competition at the level of production, capital expenditure.

## ✓ Expansion 2000 forward

Cooperatives to add value in handling, commercialisation and other related activities

# Intensive agriculture...







PRIVATE AUCTION	COOPERATIVES
Distant Relationship with Farmers	Union of Farmers (Business people)
Product is property of farmer until sale	Product is marketed together-sharing of benefits
Price of product is obtained by auction	Act as intermediaries in sale of product
Product is destined for national market (80%)	Majority of Product is Exported (70%)



# General observations on the two cooperative models

Bulgaria	Features	Almeria, Spain
<ul style="list-style-type: none"> <li>• Production – with different level of specialization;</li> <li>• Consumer – with distinctive regional characteristics and specialization;</li> <li>• Credit – with limited distribution, created through external project funding.</li> </ul>	Specialization of the cooperatives	<ul style="list-style-type: none"> <li>• Highly specialized trading of a single product or a group of products;</li> <li>• Supplier – highly specialized according to the needs of the production process</li> </ul>
<ul style="list-style-type: none"> <li>• Moderately expressed in production cooperatives;</li> <li>• Strongly expressed in consumer cooperatives.</li> </ul>	Market orientation	Strongly expressed
Voluntary, open to agricultural land owners, regardless of their permanent residence and occupation	Membership	Voluntary for owners of farms whose production specialization matches the field of operation of the cooperative
Traditional – “one member” – “one vote”	Participation in the management and the distribution of results	<ul style="list-style-type: none"> <li>• Traditional – “one member” – “one vote”</li> <li>• Depending on the farm size and the amount of the production realized through the cooperative</li> </ul>

<ul style="list-style-type: none"> <li>• Limited or (very rarely) short-term contractual relations;</li> <li>• Absence of secondary- and higher level cooperatives;</li> <li>• The cooperatives are united in regional and national unions, which do not perform economic activity.</li> </ul>	Contacts and relations with other cooperatives	<ul style="list-style-type: none"> <li>• Contractual, permanent, determined by the field of operation;</li> <li>• Membership of the primary-level cooperatives in secondary-level cooperatives, firms and associations performing economic activity.</li> </ul>
Practically non-present (with the exception of a few cases)	Integration with other organizations	<ul style="list-style-type: none"> <li>• Highly developed in vertical and horizontal terms;</li> <li>• The cooperatives are the key players in the regional agribusiness cluster.</li> </ul>
<ul style="list-style-type: none"> <li>• Limited job creation;</li> <li>• Social functions for the members;</li> <li>• Ensuring the supply of the population of small towns and villages with basic necessities.</li> </ul>	Results	<ul style="list-style-type: none"> <li>• Increase in the added value throughout the chain: <b>production -&gt; handling (sorting and packing) -&gt; storage -&gt; transport -&gt; trade</b></li> <li>• Development of ancillary businesses serving the main production or expanding the range of products on the basis of processing.</li> </ul>
Limited to a different extent depending on the size of the cooperative	Impact of the cooperative system on the regional development	Boosting development and contributing to an increase in jobs, income and value added produced by the agribusiness in the area



**Thank you!**

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