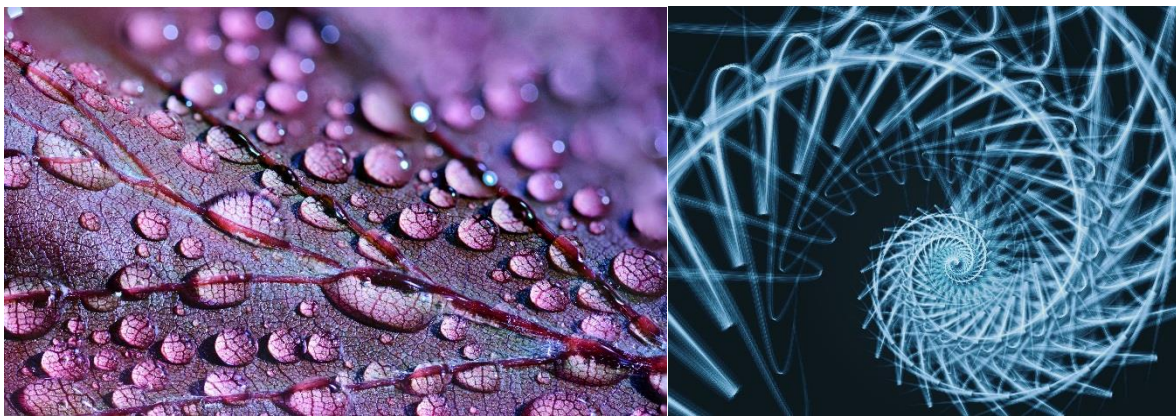


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Research and Innovate

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Research and innovate

The Journal of Bio based Marketing (JBM) provides a forum for academics, researchers, entrepreneurs, young experts, professionals, educators to analyze global aspects of bio-based marketing as a theoretical idea and real business model in value chain of bio-based products. Covering all aspects of knowledge regulation and order including organizational issues, technology support, knowledge representation, transfer of knowledge and knowledge valorization. JBM focus on the following topics:

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CLIMATE CHANGE IN BULGARIA AND PRESUMPTION FOR THE FORMATION OF "NEW - ECO" SETTLEMENTS

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ABSTRACT

Climate change is a fact of planet Earth. Whether the change is based on natural-cyclical causes or as a result of increased anthropogenic activity (socio-economic) is the next "big controversy" in the scientific community. The collection of statistical information related to climate change enables the creation of models that can be useful in predicting climate change in the future. For Bulgaria, tracking the dynamics of the processes is essential, since the country is located in the transition zone between two climatic zones (subtropical and moderately continental). At this stage in the development of human civilization, regardless of the advancement of technology, the influence and change of climate processes is still sustained by the natural flora and fauna at the local and global level. The formation and maintenance of green areas and, in particular, "new green eco-villages" is essential for society in the modern way of life. On the territory of the country, there are opportunities to expand and create green areas, both in urbanized areas and outside them.

KEYWORDS: Climate, climate change, green settlements and green spaces.

ABSTRAKT

Der Klimawandel ist eine Tatsache auf dem Planeten Erde. Die Frage, ob der Wandel auf natürliche, zyklische Ursachen oder auf verstärkte anthropogene (sozioökonomische) Aktivitäten zurückzuführen ist, ist die nächste "große Kontroverse" in der wissenschaftlichen Gemeinschaft. Die Sammlung statistischer Informationen über den Klimawandel ermöglicht die Erstellung von Modellen, die bei der Vorhersage des künftigen Klimawandels hilfreich sein können. Für Bulgarien ist die Verfolgung der Dynamik der Prozesse von wesentlicher Bedeutung, da das Land in der Übergangszone zwischen zwei Klimazonen (subtropisch und gemäßigt kontinental) liegt. In diesem Stadium der Entwicklung der menschlichen Zivilisation wird der Einfluss und die Veränderung der Klimaprozesse ungeachtet des technischen Fortschritts immer noch von der natürlichen Flora und Fauna auf lokaler und globaler Ebene getragen. Die Schaffung und Erhaltung von Grünflächen und insbesondere von "neuen grünen Ökodörfern" ist für die Gesellschaft in der modernen Lebensweise unerlässlich. Auf dem Territorium des Landes gibt es Möglichkeiten zur Erweiterung und Schaffung von Grünflächen, sowohl in urbanisierten Gebieten als auch außerhalb davon.

STICHWORTE: Klima, Klimawandel, grüne Siedlungen und Grünflächen.

RÉSUMÉ

Le changement climatique est une réalité de la planète Terre. La question de savoir si ce changement est basé sur des causes naturelles-cycliques ou s'il résulte d'une activité anthropogénique accrue (socio-économique) est la prochaine "grande controverse" de la communauté scientifique. La collecte d'informations statistiques relatives au changement climatique permet de créer des modèles qui

peuvent être utiles pour prévoir le changement climatique à l'avenir. Pour la Bulgarie, le suivi de la dynamique des processus est essentiel, car le pays est situé dans la zone de transition entre deux zones climatiques (subtropicale et modérément continentale). À ce stade du développement de la civilisation humaine, indépendamment des progrès de la technologie, l'influence et le changement des processus climatiques sont toujours soutenus par la flore et la faune naturelles au niveau local et mondial. La formation et l'entretien des espaces verts et, en particulier, des "nouveaux éco-villages verts" sont essentiels pour la société dans le mode de vie moderne. Sur le territoire du pays, il existe des possibilités d'étendre et de créer des espaces verts, tant dans les zones urbanisées qu'en dehors de celles-ci.

MOTS CLÉS: Climat, changement climatique, établissements verts et espaces verts.

INTRODUCTION

The climate of planet Earth has always been and will always be in a process of cyclical change. The formation, development and change of this atmospheric process began parallel to planetary existence. Currently, according to the geochronological table, the planet is in the Phanerozoic Eon, Neozoic Era, under the Quaternary Era, Neogene Period, Holocene Epoch, or Quaternary Ice Age, which began 2,58 million years ago. The earth goes through different cycles of temporal climatic changes, alternating ice ages with warm periods in between, known as - interglacial ages. Twenty-two centuries ago, the ancient Greeks established the dependence of climatic conditions on the inclination of the sun's rays relative to the horizon, since then the term "climate", introduced by Hipparchus (190-120 BC), has been preserved, which means "inclination". From the time of the ancient Greeks to the present day, approximately 60-70 definitions of this process have been formulated (Aleksandrov, 2010). The shortest definition reads: "Climate is the perennial weather regime characteristic of a given place", however, climate-forming factors are not represented here. The definition has been expanded and takes the following form: "Climate of a given place is called the weather regime determined by the solar radiation, the nature of the covering surface and the associated atmospheric circulation" (<https://sites.google.com/site/metshumen/Home/klim>)

The term weather in meteorology refers to the state of the atmosphere, at any particular moment or time segment, for a given place. The Earth's atmosphere is characterized by a set of meteorological elements: temperature, air humidity, atmospheric pressure, cloudiness, wind, etc., such as phenomena: fog, frost, snow cover, etc.

(<https://sites.google.com/site/metshumen/Home/klim>)

The last and most accurate definition of "Climate" was adopted at the Conference on Physical Basis of Climate and Climate Modeling in Stockholm in 1974 and reads: "Climate is a statistical ensemble of states through which the system atmosphere-hydrosphere-lithosphere- cryosphere-biosphere over time periods of the order of several decades".

On 02/04/1991, the Council of the European Community authorized the Commission to participate on behalf of the Community in the negotiations on the UN Framework Convention on Climate Change, adopted in New York on 05/09/1992. The Convention was ratified by Decision 94/69/EC of 15.12.1993 and entered into force on 21.03.1994. The signed Framework Convention (by 122 countries) sets out basic principles in a global aspect regarding the fight against climate change. It defines in particular the principle of "common but differentiated responsibilities". The Convention does not contain

specific, numerical commitments regarding the reduction of greenhouse gas emissions. There are no specifics for every single country or region for a certain continent. In order to achieve a greater effect, the leaders of the countries that signed the Framework Convention decided to gather at a conference in March 1995 in Berlin. The goal is to renegotiate concrete solutions and steps to reduce CO₂ and greenhouse gas emissions of the highly developed industrialized countries for the period after the year 2000. Prolonged working meetings and consultations between individual leaders of countries and communities began. On 11.12.1997, the so-called "Kyoto Protocol" was signed in Kyoto. The Protocol, which followed the United Nations Framework Convention on Climate Change, is one of the most important international legal documents designed to combat climate change. It contains commitments made by industrialized nations to reduce their emissions of certain greenhouse gases responsible for global warming. In total, the emissions of developed countries must be reduced by at least 5% for the period 2008-2012 compared to the level of 1990. Decision 2002/358/EC of the Council of 25.04.2002 for the approval on behalf of the European Community of the Kyoto Protocol to the United Nations Framework Convention on Climate Change and the joint implementation of the commitments arising from it.

The Paris Climate Conference was attended by 195 countries on 12/12/2015, and the agreed agreement entered into force on 4/11/2016. This act is the first global agreement between countries for specific measures against rising temperatures on Earth. The agreement includes 31 pages of specific quantitative parameters. Which in turn should strengthen the implementation of the United Nations Framework Convention on Climate Change (UNFCCC), launched at the Earth Summit back in 1992 in Rio de Janeiro. The Paris Agreement includes three main objectives:

- 1) Limit global warming to less than 2 °C by 2050 compared to pre-industrial levels. The goal is to limit warming to only 1,5 °C by the end of the 21st century;
- 2) Increase the ability to adapt to the negative effects of climate change and promote climate change resilience and reduce greenhouse gas emissions in a way that will not harm food production;
- 3) Encouraging the flow of funds in the area of greenhouse gas emission reduction and climate change resilience. It is necessary to reduce greenhouse emissions and CO₂ in the atmosphere from 40 to 70% in order to reduce the increase in temperature values from anthropogenic activity. In order to keep the average values of the Earth's temperature to 2 °C at this stage, as a result, continue to reduce the values of harmful emissions until reaching 70-90%.

As the next stage, reaching an average temperature value for the planet Earth within 1,5 °C was set as a parameter of the Paris climate conference in 2015. When signing this agreement, each country must limit harmful emissions in concrete terms, and every five years, each country presents a plan for the implementation.

The natural complex of Bulgaria is formed by three components: natural environment, natural resources and natural conditions. As the main elements entering into their structure are: geographical position, relief, high and low carbon resources, climate, waters, soils, vegetation and animal world. All of them take part in one way or another in the formation and development of economic complexes and territorial units of the country. There is a close relationship between the three components, the development of land forms and the construction of the Earth's crust. The great diversity of high and low carbon natural resources in the country is determined by the long-term and very different geotectonic

development of the Balkan Peninsula and Bulgaria in particular. There are different understandings of natural conditions, which come down to the same interpretation, leading to a minimal distinction with the concept of a natural resource (Mihailova, 2019).

METHODOLOGY

The presented mathematical model for creating a new type of eco-village is based on the number of inhabitants of the urban area, as each of them must have a minimum area of 20 m² (Radovanova, 2021), public forest plantations, or 40% of the administered territory should be green spaces (Dobrev, 2012). We will call such a settlement good for living. The purpose of the mathematical approach is to create a model applied in scientific research - the ratio between the population, depending on the area of the village (Dokuzova, ets, 2014), and the available urban forest resources, could be defined as:

S km² - area of the settlement;

40% - from the territory of the settlement with green area;

N - number of inhabitants of the settlement in thousands of people;

K - coefficient for a good settlement

Where:

There is 40% of S km² or $4 \times 10^{-1} \times S \text{ km}^2$, green area in the village

On the other hand, this area is: $20 \times 10^{-6} \times N$

Therefore: $20 \times 10^{-1} \times N = 4 \times 10^{-1} \times S \text{ km}^2$

$$N = 20\,000 \times S \text{ km}^2$$

Presentation: Let in the eco-village which has green areas 40% of its territory and live N number of inhabitants - we could give the following equation as a solution:

K = (2000 / N), hence the relation is:

A) Good settlement **K = 1** B) In a better settlement **0 > K < 1**

C) In a worse settlement **K > 1** D) In the worst settlement **K ≈ 0**

In the development of the scientific material, the definitions: "New City", "Garden City" and the "New" Eco-settlements should be considered as synonymous terms. A historical approach and a comparative analysis have been applied in the research.

RESULTS AND DISCUSSION

Climate as an atmospheric process combines factors that are basic, compile different types of elements and their manifestation during the annual cycle of time. For the territory of Bulgaria, the geographical position, the water basins, the relief, the radiation balance and last but not least the anthropogenic factor are outlined as such.

Geographical location is a basic factor of the above. According to him, Bulgaria is astronomically located between 41°14' / 44°12' N and 22°21' / 28°36' E. It occupies the southwestern part of Europe and the northeastern part of the Balkan Peninsula. In terms of climate, the country is located between two climatic zones - the northern border of the subtropical and the southern border of the temperate. Southern Bulgaria is in the transitional climate zone, and there are also outlined on the territory: Black Sea and Mountain. Based on this factor, the others are formed.

Water basins for the country are important to the extent that they determine the influence of the air masses formed above them. The Atlantic Ocean influences the climate of the country, through the

invasion of cyclones in the west-east direction. The influence of the Mediterranean Sea is felt in the southern parts of the country and in the invasion of air masses along the river valleys in these areas. The Black Sea influences the climate up to 40 km. in the interior of the country. The Dunav River, regardless of its size (2852 km), its influence is 2-3 km., to the interior of the country. Inland water basins have local importance and form a micro climate.

The topography of Bulgaria is mainly flat and hilly, with plains in the northern and southeastern part of the country and a relatively low average altitude of up to 470 m. It forms altitudinal zoning of the climatic elements and forms altitudinal climatic zones. The Old Mountain is part of the Alpo-Himalayan Mountain system and is an orographic barrier for southern Bulgaria. Viewed from north to south, the country is divided into four geomorphological regions: the Dunav, the Old Mountain, the Thracian Plain and the Rilo-Rhodope Massif. A characteristic feature is the local climate, which is formed on the basis of the landscape profile.

The radiation balance is related to the insolation and is related to the geographical position. The duration of sunshine in the country has a theoretical duration of about 4460 hours within a calendar year. In reality, the duration of sunshine in Bulgaria is between 2100 and 2400 hours. In mountainous areas it is approximately 1900 hours, depending on the climatic elements - cloudiness and fog. It is highest in the region of the Upper Thracian Plain and the valley of the Struma River. The shortest duration of sunshine is in the month of December, and the sunniest days are recorded in the summer months.

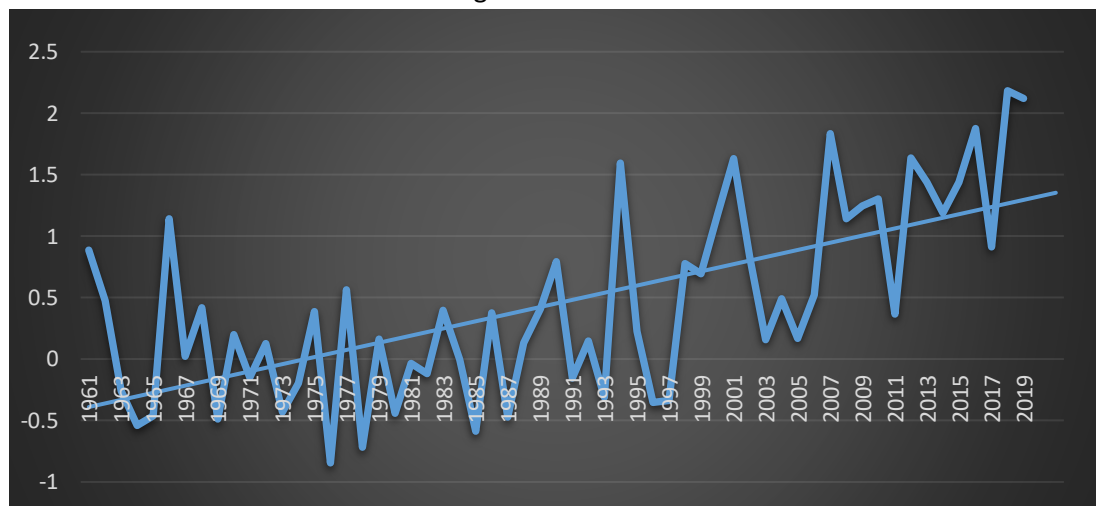
Anthropogenic influence is determined by different types of economic activities, including those related to agriculture. Transport in the country's agglomerations is defined as a local pollutant, as well as the high population density, again concentrated in these areas. The mental attitude towards the environment is emerging as a future problem, the change of the human paradigm is the key to the sustainable development of climate elements. Climate change is happening and no one has any reason to dispute the ongoing processes. And yet there remains a doubt - whether the transformation of the climatic elements is due to a certain climatic cyclicity of the planet or to the increased anthropogenic activity. The accumulation of information about climatic processes and phenomena, as well as their scientific study, began at the beginning of the 20th century.

From a modern point of view, we find the warmest - the first twenty years of the XXI century, then the previous decades. According to (IPCC, 2013), the estimated global mean temperature increase trends for the periods 1880 - 2012, 1901 - 2012 and 1951 - 2012 are 0,064, 0,08 and 0,118 °C per decade. Average global temperatures for the periods 1986 - 2005 and 2003 - 2012 were respectively 0,61 °C and 0,78 °C higher than the average for the period 1850-1900. Obviously, the increase in average global temperatures continues and at an increasingly rapid pace. Again, according to (IPCC, 2013), the largest increase in average temperatures is observed over the continents, where for the periods 1880–2012, 1979–2012 the trends are 0,092 °C and 0,262 °C per decade, respectively. For the period 1850–2012, the average temperature over land has risen by about 1,5 °C. Temperature changes for Bulgaria are not isolated from those of the rest of Europe. Most of the continent has a warming trend in the 20th century (Mihailova, *ets.*, 2021). The average annual air temperature has increased by 0,8 to 1,0 °C. In the second half of the 20th century, the average surface air temperature over the Balkan Peninsula tended to decrease until the end of the 1970s, and then to warm. According to the recommendation of the WMO, the average temperature values for the period 1961-1990 are used to describe the modern climate. Therefore, the

monthly and annual temperatures are compared with this period and refer only to the flat part of the country.

Fig. 1 shows the temperature values for a period of 58 years, with a clear rising curve. In fig. 1 shows the changes in climatic indicators for Bulgaria within 58 years. The trend is clearly expressed - an increase in the values from the first year of research to the last. When analyzing the curve outlining climate change, it is noticeable that in the early 1970s, per century to the mid-1980s, the change in temperature was minimal. After the 90s of the same centuries, the amplitude began to rise significantly, compared to the previous years, with the trend constantly growing upwards. During this period of the development of human civilization, there is an increase in the economic development of countries in the world, which in turn requires greater amounts of energy and natural raw materials. The accumulation of high emissions of carbon dioxide in the atmosphere increases the surface temperature. Again, in the same period at the beginning of the 21st century, there is an increase in the population in a global aspect and the pressure on the environment increases and in particular a rise in temperature values as a result of the consumption by the human population. For the entire study period, the average temperature values for the country have increased by approximately +1,1 °C, corresponding to global climate changes.

Figure. 1 Temperature changes in Bulgaria in the period 1961-2019. Source: Information from FAO's work on Climate Change and author's calculations



Many authors believe that the formation of new eco-villages can be based on already existing ones (Harvey, 2005), and not by creating new ones in separate areas. The development is based (as a philosophy) on the "New Urbanism" movement created in the USA in the early eighties of the XX century. Creation and operation of buildings with zero carbon emissions; ensuring 30% of housing in a city to be owned and formed on green areas (green infrastructure spaces), making up 40% of the urbanized territory. The idea of creating such eco-villages dates back to the 19th century, and this type of utopia was first conceived in 1817 by the industrialist Robert Owen (1771-1858), who built New Lanark, near Glasgow, for poor workers, Scotland. Subsequently, other similar ideas were developed, the built industrial city of Saltaire, by Sir Titus Saul (1803-1876) for 1500 workers can be used as a model. The modern idea over the

decades was developed mostly by wealthy industrialists who understood that better living conditions accumulate high and quality production activity.

The concept of the New Town, which is based on the idea of improving the quality of life through sustainable development of the urban environment, has its roots in early 1898, with the formation of the Garden City Association in England. The idea for its creation was based on Ebenezer Howard's (1850-1928) book "To-morrow a "Peaceful Path to Real Reform" (1898). Four years later, the book was published under the title "Garden Cities of Tomorrow" (1902), this popularized the author himself and his ideas.

In 2020, the world's population is over 7,7 billion people, of which 56.2% live in urban areas. Global population growth, climate change, disruption of the functioning of the biosphere, continued use of conventional natural resources, and last but not least, the concentration of the human population in urbanized areas, require the creation of a new paradigm, principles and factors to develop a new philosophy for the formation of the "New" Eco-settlements.

When forming and developing the idea of the "New" Eco-settlements, the need for a mandatory cultural change in the formation of mentality should also be considered. The change is necessary to the extent that the principles and factors on which the new face of human society will be built can be understood. This is important and necessary from the point of view that the old model of functioning in urbanized areas does not work and will lead to the destruction of human civilization. Therefore, a new paradigm shift "clothed" in new principles and factors will integrate human society into biosphere processes with new understandings and approaches.

The experience gained in preparing the strategy for forests in England (Forestry Commission, 1998) is based on four main principles: quality, integration, partnership and community support. The presentation of this kind of "policy" can be applied as a basis for the development of the next "New" Eco-settlements.

The creation and development of a new type of ecological settlement must be based on factors, principles and mathematical models. On the other hand, they must be tied to the philosophy, existence and functioning of this type of settlement (Mutafov, 2021). Any change in these requirements will lead to compromises, change and failure of the entire concept. The application of various factors, (without claims of exhaustiveness on the subject under consideration), will support the development of the eco-village, in a vertical and horizontal direction:

➤ Social - basic on which the philosophy for functioning of the "New" Eco-settlements or the conceptual doctrine is built. This type of factors should be aimed at the environmentally friendly way of life in the settlement.

➤ Economic - directly related to the functioning of the settlement (Tsvyatkova, 2021). They are the economic drivers associated with the investment policy aimed at creating a new generation of technologies serving social activities.

➤ The ecological factor will be indicative of the "New" Eco-settlements. Maintaining an ecological environment will be the primary duty of every resident on a vertical and horizontal level. Recycling of all types of waste products, domestic or industrial, will be mandatory. Production facilities and transport will meet certain requirements and standards, subject only to the ecological way of life.

➤ The climatic factor is the subconscious reason for the creation of this type of city. Changes in the climate as a result of the excessive use of the natural resource potential of the planet Earth, led to

the introduction of new paradigms in the socio-economic way of life. Climate change in a global aspect has happened many times on the planet, but in the last 30-40 years, very sharp changes and a large number of anomalous climatic phenomena have been reported. The change in the microclimate of certain regions of the Earth has a direct impact on the global synoptic picture. The construction of the "New" Eco-settlements and their functioning based on a natural-idiosyncratic way of life will perhaps slow down the apocalyptic pictures of an ecological catastrophe on the planet.

➤ Infrastructural factors are key to the functioning of the "New" Eco-settlements, in the construction of the green infrastructure. They will have a base meaning. In turn, they can be grouped as follows: underground and above-ground.

The application of principles (without claims of exhaustiveness on the subject under consideration) is essential for the functioning and development of the eco-village in combination with the above-mentioned factors. Every single system or subsystem must develop and work only in the direction of an environmentally friendly way of life:

➤ The educational system should be aimed at forming a new type of thinking and consciousness. New knowledge must ask questions and seek answers directed at the eco-village. It should be seen as a living organism - a symbiosis between man and nature. Education should be a priority area aimed at all age groups.

➤ The ratio between the number of the population and the green spaces presented in the form of forest resource potential in the new eco-villages appears as one of the most important principles on which the entire philosophy is built.

➤ Geodemography includes - birth rate, death rate, natural and mechanical growth and migration mobility. For the new type of eco-village, it will be necessary to maintain approximately the same number of populations. In the event of an increase (which is inevitable), it should be smooth and meet the other two factors mentioned above (the methodology is based on population to corresponding green areas). With the mechanical growth of the population, "corrective" measures must be introduced in order to ease the way of life in the settlement. An important element in the Green City will be the even distribution of the population throughout the territory, thus avoiding a number of inconveniences in socio-economic life.

➤ The green city should be an administratively independent unit, as a way of management within the boundaries of the land. If centralized government is imposed in the country, the settlement must be excluded from such a scheme; self-management is important in decision-making. The administered management of the settlement must be electronic. In this case, all administrative services (systems) will be connected in one common scheme.

➤ The application of new technologies and technological solutions must be tailored and directed to the ecological way of life of the people. They must solve the problems of the citizens related to their way of life. Their application should be in the spheres of transport, recycling of any type of waste product and last but not least in industrial activities.

Giving an exact definition of the "New" Eco-settlements at this stage is quite difficult and will most likely be inaccurate, for the practical reason that currently, nowhere in the world, there is no such settlement that fully satisfies its needs and wants through alternative energy or to process more than 95% of waste products from household, industrial activity, transport or other activities. The synergy between

the mathematical models applied in the creation of the new ecological settlements, the urban forest resources, the principles and the factors are an essential connection between them. From its creation and functioning in future periods of time, depends on the socio-economic prosperity of the human population inhabiting the "New" Eco-settlements. The residential forest has an impact on people's health, their physical and mental recovery, as well as preservation of the overall forest resource potential (Petrov, 2021). For this reason, urban forest resources should be integrated into sustainable development strategies and habitat management and considered as part of a non-renewable natural resource. In general, the process of urbanization should be tied to urban forest resources.

CONCLUSION

Rising temperatures are a fact that cannot be ignored in the coming decades. The increase in temperature is largely due to anthropogenic activity related to satisfying the mercantile behavior of human civilization, but the possibility that the planet Earth is entering (or has entered) a cycle of global warming preceding a new Ice Age should not be excluded.

As temperatures rise, traditional crops reduce their yields as a result of the change. In this case, they should be replaced by varieties of the same species suitable for the respective latitude. The geographical position of Bulgaria and especially the radiation balance allow the cultivation of crops that are not typical for the country. The entry of new crops into agriculture and their availability to consumers will not disrupt traditionalism in nutrition, but will even increase the number of useful foods used. The repetition of change is a fact, and we as a sane human population must take into account and take advantage of the ongoing processes in the most intelligent way possible.

In the first decades of the XXI century, there were large-scale discussions (on a global scale) related to improving the quality of life in urban areas (Yarkova and Mutafov, 2017). In this regard, the elaborated study, without claiming to be exhaustive, gives a point of view (minimum) on solving environmental problems in general in the settlements and a new look at the creation of "new" and modern settlements. They stepped on a new paradigm based on a mathematical model, principles and factors, defending the existing and future development of human society as a whole. The settlement forest in the urban zone or in the areas of the settlement is essentially important for regulating the local climate - reduces the strength of winds, controls water flows in horizontal and vertical directions, filters air and sunlight. It prevents the effect of the city's "heat island", which automatically reduces the amount of electricity in residential buildings. To maintain the standard of clean air in the settlements, the city's forest resources appear as "protective filters". The forest-resource potential is the basis for the creation of a new type of settlements. Observance of the principles and factors for the formation and functioning of the new eco-settlements is essential for the population inhabiting these areas.

The "New" Eco-settlements will completely change the "old" way of life of the people living in these new spaces. The real task of these new settlements will not consist only in the construction, functioning and use of new socio-economic-environmental needs, but the creation of a modern paradigm related to new cultural ecological thinking.

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THE FUTURE OF CONSUMPTION, TRUST IN ACTORS AND INSTITUTIONS: DOES THE TRANSITION TOWARDS A SUSTAINABLE MODEL OF FOOD CONSUMPTION WORK?

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ABSTRACT

Concerns about growing challenges such as climate change, pandemics or global governance have had far-reaching effects on the sustainability of consumption and consumer well-being, raising questions about the future. The study provides an observation of the increased risk perception in food markets in the city of Tirana in Albania, and the impact of variables such as food safety, WTP, trust in government, trust in retailers, trust in researchers and trust in media to increased risks in the future. The results show that trust in retailer affect the increased perceived risk, raising ambiguities about other factors given their critical importance for the sustainability of consumption. Predicting a smarter-innovative future, the recommendations go for improving trust in information channels and institutions.

KEY WORDS: increased risk, trust in government, trust in retailer, trust in researcher.

ABSTRAKT

Die Überlegungen überwachsende Herausforderungen wie Klimawandel, Pandemien oder globale Regierung hat weitreichende Auswirkungen auf die Nachhaltigkeit des Konsums und das Wohlbefinden der Verbraucher und stellt Fragen über die Zukunft. Die Studie liefert eine Beobachtung der erhöhten Risikowahrnehmung auf den Lebensmittelmärkten in der Stadt Tirana in Albanien und die Auswirkungen von Variablen wie Lebensmittelsicherheit, WTP, Vertrauen in die Regierung, Vertrauen in Einzelhändler, Vertrauen in Forscher und Vertrauen in die Medien Risiken in der Zukunft. Die Ergebnisse zeigen, dass das Vertrauen in den Einzelhändler das erhöhte wahrgenommene Risiko beeinflusst, was zu Unklarheiten über andere Faktoren führt, da diese von entscheidender Bedeutung für die Nachhaltigkeit des Konsums sind. Die Empfehlungen prognostizieren eine intelligentere und innovativere Zukunft und zielen darauf ab, das Vertrauen in Informationskanäle und Institutionen zu stärken.

STICHWORTE: erhöhtes Risiko, Vertrauen in die Regierung, Vertrauen in den Einzelhändler, Vertrauen in die Forschung.

RÉSUMÉ

Les préoccupations concernant les défis croissants tels que le changement climatique, les pandémies ou la gouvernance mondiale ont eu des effets considérables sur la durabilité de la consommation et le bien-être des consommateurs, soulevant des questions sur l'avenir. L'étude fournit une observation de la perception des risques accrus sur les marchés alimentaires de la ville de Tirana en Albanie, et de l'impact de variables telles que la sécurité alimentaire, la propension à payer du consommateur (PP), la confiance dans le gouvernement, la confiance dans les détaillants, la confiance dans les chercheurs et la confiance dans les médias à des risques accrus à l'avenir. Les résultats montrent que la confiance dans le détaillant affecte l'augmentation du risque perçu, soulevant des ambiguïtés sur d'autres facteurs compte tenu de leur importance critique pour la durabilité de la consommation. Prédissant un avenir plus intelligent et innovant, les recommandations visent à améliorer la confiance dans les canaux d'information et les institutions.

MOTS CLÉS: des risques accrus, confiance dans le gouvernement, confiance dans les détaillants, confiance dans les chercheurs.

INTRODUCTION

Are the risks to the future of food consumption increased? This is a reasonable question posed by scholars currently. Concerns about growing challenges such as climate change, pandemics and global governance have had far-reaching effects for the sustainability of consumption and consumer well-being. In the social sciences and economics, starting with the theory of rational approach (Arrow, 1982) and further uncertainties (i.e. possible gains or losses) or risk prospects has expanded theoretical discussion by incorporating accumulative possible prospects (Tversky et al. 1992). Problems over risk perceptions and implications within the social system may have widely effects depending communities, information channels, institutions, etc. Communities may react in different ways to the same risk events, and the cognitive analysis underline the importance of common information received through various channels leading further to similar conclusions of individuals in society (Scherer et al. 2003).

Increased risk is perceived in nature and human society. In competition for scarce resources, insect reactions within the colony explain the ability to coordinate behaviors into mass actions through effective communication (Nonacs, 1990), awareness increase and changes in organization (Uetz et al 1994). In human society from primitive to developed communities the perception of risk may differ widely between individuals, social status (eg intellectuals), and countries/regions, or depending from the reliability of information, effective institutions, etc. Roger et al. (2016), show that indigenous felt a high worry about landslide, revealing that risks and the discrepancy in the attitude-behavioral link was related with unsatisfactory level of information and the absence of participation in the decision-making process. Meanwhile, growing concerns over the last decade on developed economies illustrate the cases of the increasing risks in the food systems in Europe as well (Van Kleef et al. 2007).

Future consumption may be characterized by a multitude of risks even in Albania. They can be idiosyncratic (unpredictable, low probability, eg pandemics) or systematic (predictable, high probability, eg, rising food prices, costs) and depends of shared social values (Bachev, 2013), trust in key actors and institutions as their product in society. Sjöberg (1998), explains that perceived risk is less cognitive than has previously been believed, but is a crucial factor in the social dilemmas, and factors such as attitudes and moral values play a crucial role, and major perceived risks are related to political–societal institutions (Specht et al. 2016). The differences between the institutional practices in Europe illustrate cases of adopted rigorous measures taken by governments for the prevention of future food risks, and cases when through government control by "science for government" principle, can undermine risk assessment by creating broader concerns and consequences (Beck et al. 2007).

The authors (Ansell et al. 2006), predict increasing 'triggering events' on food systems by arguing importance of three main dimensions in the case of contested governance related to causes, dynamics, and outcomes. However, the increasing future complexities and risks on food systems can be overcome by an improved interaction between researchers, consumers and all actors (Havelaar et al. 2010). Slovic (2000), argue that peoples risk judgments are influenced by the memorability of past events and the imaginability of future events, and given its role the media could seriously distort perceptions of risk. The media often tend to attract attention by influencing the way risk is perceived (Frewer et al. 1998). Considering the peculiarities of food markets and the importance of consumers trust for the future of consumption, as relevant variables to increased risk can also be seen food safety (Schroeder et al. 2006), and willingness to pay (WTP) more for food products (Wu et al. 2014).

In recent years, risks in food markets are increased in many ways, widely exposing consumers to a multidisciplinary–complex issue, but also raising concerns about the question of the day: are we really experiencing the transition towards sustainable food consumption? The study aims to assess the increased food risk, illustrating with a case from Albania and the potential impact of some variables such as food safety, WTP, and the trust in the main important actors in the information channels such as trust in government, trust in retailer, trust in researchers and trust in media to increased risk in the future in the city of Tirana. Predictive risk studies and in particular on future risks in food markets are a not very common genre in Albania, and given the dynamics in inflation rates, rising food prices and other factors may be useful for (1) local actors and possible perspectives of the sustainability of future consumption; and (2) researchers, and the enrichment of debate within the scientific community.

A broad–multidisciplinary framework supports the impact of the above variables to increased risk in food markets and especially recent years. Djekic et al. (2021) highlights that food safety and attribute such as hygiene play a very important role for preventing pandemic Covid–19 effects and increased risks in food system. Gizaw (2019), argue that given that international food market increases health risks as food supply chains cross multiple national borders food safety is highly–related with increased food risks. By Weber et al. (1998), relations between WTP and increased risk may have explained within a risk–return conceptualization of risky choice, which mean that respondents are willing to pay more for options perceived a less risky. Bernard et al. (2005), show that the growing concerns about health risks in food markets, has led to increased used innovations and practices and within the decision–making segment willingness to pay is related to risk perception. Bachev et al. (2008), argue that formal institutions and governance affect to increased risk in food systems, and trust in governing institutions and the mechanisms

used may affect to the perception of increased risk even in potentially unpredictable events (Bachev, 2019). Twing–Kwong et al. (2013), reveals that increased satisfaction by consumers with the retailers leads to a higher level of both cognitive and affective trust including perceived risk. By Rampl et al. (2012), trust in retailers predicts risk taking and future risk perception on food markets. Wunderlich et al. (2015), explain that researchers in US were the most trusted sources for perceiving the risks of future innovations in food products, acting as impartial evaluators alongside with other professionals. Shepherd et al. (2008), report that the consumers trust university scientists more than the media about possible risks of food products. De Vocht et al. (2013), find that consumers trust in media affect the perception about increased risks in food consumption. Ventre et al. (2020), find interaction between the variable trust in media and the increased risks in food markets.

Objectives and hypotheses. The study objective is to provide an empirical observation on the increased risk perception of the future food consumption (in the case of the meat product), and the measurement of some variables such as food safety, WTP, trust in government, trust in retailer, trust in researcher — and trust in media to future increased risk, by consumers of the city of Tirana in Albania.

The study hypotheses are:

- H1 — increase of food safety affects the increased risks in the future of food consumption.
- H2 — increase of WTP affect the increased risks in the future of food consumption.
- H3 — increase of trust in government affect the increased risks in the future of food consumption.
- H4 — increase of trust in retailer affect the increased risks in the future of food consumption.
- H5 — increase of trust in researcher affect the increased risks in the future of food consumption.
- H6 — increase of trust in media affect the increased risks in the future of food consumption.

Measurement procedure. A quantitative questionnaire was conceived in order to provide a large database of consumers (220) in the food markets of the city of Tirana, Albania. The interviewing process was conducted according to a standard procedure (random choice) and the above variables are verified by scaling (1–5) according to the relevant formulations. Referring to the data provided are presented the indicators of increased risk perceived by consumers (table 1; figure 1), and based on the Logit statistical model the correlation of the variables under review was verified (table 2).

Table 1. Increased risks in the future according to the total of the interviewees. Source: own survey, 2020

Consumption risks in the future:

Increased risks?	Total
No	32
Yes	188
Grand Total	220

Figure 1. Increased risks in the future as a percentage. Source: Data processed by authors.

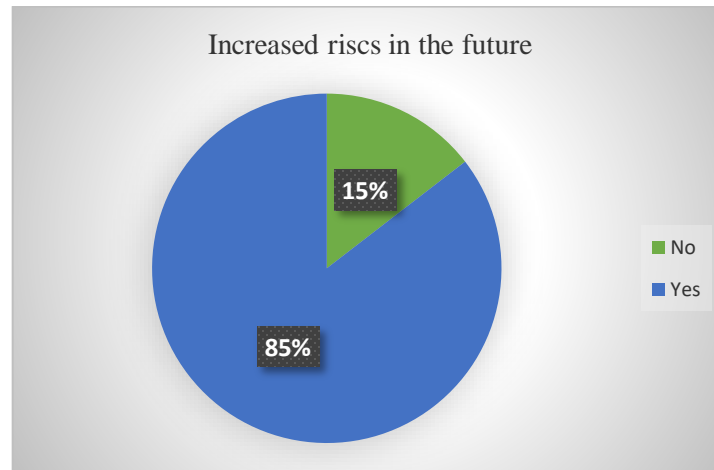


Table 2. The significance of variables by statistical Logit model. Source: Data processed by authors.

	<i>Coefficient</i>	<i>Std. Error</i>	<i>z</i>	<i>p-value</i>	
const	1.32846	1.40753	0.9438	0.3453	
Food safety	-0.079679	0.277522	-0.2871	0.7740	
WTP	-0.017594	0.263452	-0.0667	0.9468	
Trust in government	0.378013	0.270502	1.397	0.1623	
Trust in retailer	0.541497	0.328567	1.648	0.0993	*
Trust in researcher	-0.377271	0.253411	-1.489	0.1365	
Trust in media	-0.294659	0.261408	-1.127	0.2597	

Mean dependent var	0.853881	S.D. dependent var	0.354034
McFadden R-squared	0.028398	Adjusted R-squared	-0.048453
Log-likelihood	-88.49920	Akaike criterion	190.9984
Schwarz criterion	214.7219	Hannan-Quinn	200.5796

Model 3: Logit, using observations 1–220 (n = 219)

Missing or incomplete observations dropped: 1

Dependent variable: Increased risks

Standard errors based on Hessian

Number of cases 'correctly predicted' = 187 (85.4%)

f(beta'x) at mean of independent vars = 0.354

Likelihood ratio test: Chi-square (6) = 5.1733 [0.5218]

RESULTS AND DISCUSSIONS

From the analysis of the data provided by the total respondents (220) it can be seen that the majority of consumers in the food markets of Tirana in the case of the meat product, confirm that the risks for the future of food consumption are increased (table 1). Dominant numbers of interviewees (figure 1), regardless of the level of education, income, social status, etc., suggest proportionally for more focus from the institutions for policy response based on expectations for the future sustainable food consumption. Research on food consumption and the consumer decision-making in recent years in Albania (Osmani et al. 2021; Kolaj et al. 2022), underline the multiple importance of factors for the sustainability of consumption and markets, consumer's welfare and daily turnovers, inflation and costs, etc. Results of measuring the potential impact of the above variables (table 2) show that while other variables have no impact, only trust in retailer affect increased risk of food in the future; that means that with increasing trust in retailers increases the probabilities of perceived increased risks in future consumption. Recognizing the factors that influence increased risk of the future is important for the transition towards sustainable food consumption but nevertheless some considerations are evident. Measuring of future risk perceptions is complicated depending the regions (eg city neighborhoods and suburbs, or perception differences) and the findings may be characterized by limitations, such as the degree of self-assessment of knowledge's about the food safety or the impact of the recent food price increase (eg WTP, financial knowledge's), psychological consequences (eg Covid-19 pandemic), or other realities (eg standard of well-being, nutritional diet, etc). Implications due to escalating situations (eg shocks within a brief time) and consequences (pandemic, lockdowns, prices increase, etc.) may also are possible. However, such an approach to risk perception perhaps can also be seen as related to attitudes (subjective norms) according to beliefs in some developmental factors and forces such as the innovation systems or TIK in previous developments in the country, the culture of trust in institutions and researchers and especially the importance of knowledge as a main developmental force in society. Wildavsky et al. (1990), argue that the most widely held approach on risk perception based in the knowledge's theory that often implicit notion that people perceive technologies (or other things) to be dangerous because they know them to be dangerous. The findings suggest for a further research, but while there is a high perception among the interviewers on the increased risks in the future of the food consumption (figure 1), the insignificance of trust to key institutions and actors in society (institutions, researchers, media) perhaps deserves attention. Possibly traditional beliefs (eg relative importance of the knowledge's, researchers), functional informal rules respected by the parties (eg the power of non-institutional nepotism ties) and new dynamics (mass migration, brain drain, etc) may be important to society awareness and the latter is determinant of risk response and the future of sustainable food consumption. We pointed out that while the perception of risk is pervasive in nature and society, awareness and the ability to change can be related to many factors. While

eg there may be thousands of individuals that undertake the multiplication within the populations of some plant species, there are very few (perhaps only 2 plants) who may have the codes (inherited parental lines) that can undertake the progress. If we take a look at the history of the world economy, we see that while majority of the countries continue to rank roughly the same only a few countries have changed their future compared to others over the last 200 years; and this means that change through progress is not very pervasive in society. However, while in nature some species can vaguely perceive the increased risk as a sequential or final act, in human society countries can predict different levels of risks depending on some order of importance, where the identification of the problem, the level of social consciousness and the tendency towards qualified leadership can be some of them. So the differences between the countries are related to a significant extent with the efficiency of institutions and the level of available human capital. Countries in Africa have sunshine, abundant and cheap work, but they have not been able to develop, while Northern Europe, for example, does not have such resources but has capital — and here it means first of all human capital. Summarizing we emphasize that progress towards sustainability within an economic system and especially to future increased risks may not be also an easy matter and moreover actually the risk response can be very complex for developed countries and especially the developing ones. The issue of tendencies in the economic future is related to a multitude of factors at the individual level, or at the level of economic groups and beyond, or technological and energetic, climate, social, etc, and the research in other areas (eg soft sciences, etc) perhaps can be considered complementary. Improving functions of communication channels and leading actors (eg researchers, media, etc.), and institutions can contribute to raising awareness and the tendency towards progress and sustainability. The problem of increased risk and the concept of sustainability in food consumption represent a core–professional responsibility. It is an obligation of scholars to explain the implications of the transition towards the sustainability of the food consumption, considering the heterogeneity of challenges (even) climate, to contribute to a sustainable–smart–future according to the characteristics of the regions.

CONCLUSION

There is a wide range between consumer's intentions and behavioral attitudes, and there also may be a possible slowdown of consumption transition towards the sustainable consumption; and here in addition to the variables we have examined complex–multi–disciplinary issues may be considered (eg economic growth) or food safety (knowledge's) and/or system certification from–farm–to–fork (by the EU model), to environmental implications and green practices (values, and consumer ethics), etc. The findings suggest the importance of trust in the retailer to future consumption increased risks and this is also related to the nature of the functioning of food consumption in Albania, as a model which is based more on trust to market actors (eg retailers) than on standards and quality certifications in the markets. Supervisory institutions of food markets should consider the trends towards the future of food markets (standards, traceability system, etc.) and other factors (income, fixed costs) that may affect the both the expansion of sustainable consumption in the future and agricultural exports. But can only trust in retailers be a long–term determinant for the future of sustainable consumption? Findings encourage for advanced research, and the expanding influence of market actors on the future of food consumption it is also well known in the research literature. However, the future of food consumption markets can be predicted with more precision production–trade food systems (eg precision agriculture, software) or digital marketing (new

practices and methods), smart policies, etc., that will make more intensive use of the key factors such as productivity and new technologies, including environmental implications or waste treatment, etc., for accelerating the transition towards the sustainability of food consumption. From this perspective, the expectations for new institutional capabilities in the new era, where inputs, new knowledge's and technologies can be drivers for increasing trust and efficiency among key drivers in information channels (institutions, researchers, media) may be considered expected and reasonable. Literature highlights the importance of the reliable information channels in the transition towards new socio-economic developments and the sustainability (Rifkin, 2008), and the food safety, certification of standards and the main actors in society such are researchers, government institutions and the media as important factors for the sustainability of food consumption in the future (Botonaki et al. 2006). In the context of intensifying economic, environmental and climate crisis, a greater focus should be on food systems change emphasizing the important role of politics, governance institutions, or values and ethics for innovations, and food-agriculture systems, and their well-functioning in the transition to sustainability (Hinrichs, 2014). The recommendations in the new technological age for improving trust in information channels and key institutions can be relevant; trust means more collective efficacy, and new socio-economic and environmental achievements within the concept of the self-sustainability. Actors in the food value chain need to be adapted competently within the new spatial reality which will probably include more science, technological and innovative products (eg AI, 3D food printing, etc), surprises and new future tendencies in the transition towards the sustainability of food consumption.

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THE FAMILY BUSINESS AS A DRIVER FOR THE DEVELOPMENT AND SURVIVAL OF THE FAMILY HOUSEHOLD

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ABSTRACT

In every country there is an aspiration for progress, for growth and development of the economy, creation of new jobs and creation of conditions through various activities and measures for improving the quality of life. Many of the measures that are taken are aimed at helping to establish their own business, or measures for the promotion and development of existing businesses. In general, the emphasis is on small and medium enterprises, which are a significant and vital part of the economy of each country. According to statistics, they represent 98% of the total business in Europe, providing employment to 90 million people. The situation is similar in our country, where small and medium businesses have an extremely important role in creating the gross domestic product. Family businesses are certainly a special part that has a significant impact on the economy. The specificity of this way of doing business, with all its stakeholders is a wide field for research and analysis. Building a stable family business is a challenge for the family that founded it, while allowing progress for the next generations who have the responsibility to continue their successful work, while leaving their mark and enabling greater growth and development of the business. That this is not easy is shown by the large number of researches and studies that have found that only a small part of the family businesses continue to work successfully after the takeover by the second or one of the subsequent generations of heirs. The world is evolving, technology is advancing, change is happening at a rapid pace that businesses must adapt to if they are to thrive. The aim of this master's thesis is to present the contemporary aspects in the management of family businesses, specifically in the field of retail, the challenges faced by the next generation of heirs of this type of business and the importance of implementing innovations globally.

KEYWORDS: small and medium businesses, family business, retail, management, modern aspects

ABSTRAKT

In jedem Land gibt es ein Streben nach Fortschritt, nach Wachstum und Entwicklung der Wirtschaft, nach der Schaffung neuer Arbeitsplätze und der Schaffung von Bedingungen durch verschiedene Aktivitäten und Maßnahmen zur Verbesserung der Lebensqualität. Viele der ergriffenen Maßnahmen zielen auf die Unterstützung bei der Gründung eines eigenen Unternehmens oder auf Maßnahmen zur Förderung und Entwicklung bestehender Unternehmen ab. Im Allgemeinen liegt der Schwerpunkt auf kleinen und mittleren Unternehmen, die einen bedeutenden und wichtigen Teil der Wirtschaft eines jeden Landes ausmachen. Statistiken zufolge machen sie 98 % aller Unternehmen in Europa aus und bieten 90 Millionen Menschen Arbeit. Ähnlich ist die Situation in unserem Land, wo kleine und mittlere Unternehmen eine äußerst wichtige Rolle bei der Schaffung des Bruttoinlandsprodukts spielen. Familienunternehmen stellen sicherlich einen besonderen Teil dar, der einen erheblichen Einfluss auf die Wirtschaft hat. Die Besonderheit dieser Art der Geschäftstätigkeit mit all ihren Akteuren ist ein

weites Feld für Forschung und Analyse. Der Aufbau eines stabilen Familienunternehmens ist eine Herausforderung für die Familie, die es gegründet hat, und gleichzeitig eine Herausforderung für die nächsten Generationen, die die Verantwortung haben, ihre erfolgreiche Arbeit fortzusetzen, während sie ihre Spuren hinterlassen und ein größeres Wachstum und eine größere Entwicklung des Unternehmens ermöglichen. Dass dies nicht einfach ist, zeigt die große Zahl von Untersuchungen und Studien, aus denen hervorgeht, dass nur ein kleiner Teil der Familienunternehmen nach der Übernahme durch die zweite oder eine der nachfolgenden Erbgenerationen erfolgreich weiterarbeitet. Die Welt entwickelt sich weiter, die Technologie schreitet voran, der Wandel vollzieht sich in einem rasanten Tempo, an das sich die Unternehmen anpassen müssen, wenn sie florieren wollen. Ziel dieser Masterarbeit ist es, die zeitgenössischen Aspekte in der Führung von Familienunternehmen, insbesondere im Bereich des Einzelhandels, die Herausforderungen, denen sich die nächste Generation von Erben dieser Art von Unternehmen gegenüber sieht, und die Bedeutung der Umsetzung von Innovationen auf globaler Ebene darzustellen.

STICHWORTE: Kleine und mittlere Unternehmen, Familienunternehmen, Einzelhandel, Management, moderne Aspekte

RÉSUMÉ

Dans chaque pays, il y a une aspiration au progrès, à la croissance et au développement de l'économie, à la création de nouveaux emplois et à la création de conditions par le biais de diverses activités et mesures visant à améliorer la qualité de vie. Bon nombre des mesures prises visent à aider les personnes à créer leur propre entreprise ou à promouvoir et développer les entreprises existantes. En général, l'accent est mis sur les petites et moyennes entreprises, qui constituent une partie importante et vitale de l'économie de chaque pays. Selon les statistiques, elles représentent 98 % de l'ensemble des entreprises en Europe, fournissant un emploi à 90 millions de personnes. La situation est similaire dans notre pays, où les petites et moyennes entreprises jouent un rôle extrêmement important dans la création du produit intérieur brut. Les entreprises familiales constituent certainement une partie particulière qui a un impact significatif sur l'économie. La spécificité de cette façon de faire des affaires, avec toutes ses parties prenantes, est un vaste champ de recherche et d'analyse. Construire une entreprise familiale stable est un défi pour la famille qui l'a fondée, tout en permettant le progrès des générations suivantes qui ont la responsabilité de poursuivre leur travail avec succès, tout en laissant leur empreinte et en permettant une plus grande croissance et un plus grand développement de l'entreprise. Le fait que cela ne soit pas facile est démontré par le grand nombre de recherches et d'études qui ont montré que seule une petite partie des entreprises familiales continue à fonctionner avec succès après la reprise par la deuxième ou l'une des générations suivantes d'héritiers. Le monde évolue, la technologie progresse, les changements se produisent à un rythme rapide auquel les entreprises doivent s'adapter si elles veulent prospérer. L'objectif de ce mémoire de maîtrise est de présenter les aspects contemporains de la gestion des entreprises familiales, spécifiquement dans le domaine du commerce de détail, les défis auxquels est confrontée la prochaine génération d'héritiers de ce type d'entreprise et l'importance de la mise en œuvre des innovations au niveau mondial.

MOTS CLÉS: petites et moyennes entreprises, entreprise familiale, commerce de détail, gestion, aspects modernes

INTRODUCTION

Definition of family business. In order to successfully explain and define the family business, one must first define the business in general. Etymologically, the word itself has roots in the English-speaking world (Origin of the word, available at: <https://www.etymonline.com/word/business>), a word that is similar to the noun "bisignes", but spelled differently, whose main meaning was care, preoccupation, occupation, loosely translated as the state of being preoccupied with something. That expression has undergone changes, so that nowadays it has become one of the most used words in non-English-speaking countries, including here. Business by definition is an organization or entrepreneurial entity that is engaged in commercial, industrial or professional activities. (Definition of Business, available at: <https://www.investopedia.com/terms/b/business.asp>)

The wider use of the word also refers to the possibility of talking about non-profit organizations or entities that work on a voluntary basis, that the term refers to organized efforts and activities of individuals or associations to produce and sell goods and services for profit.

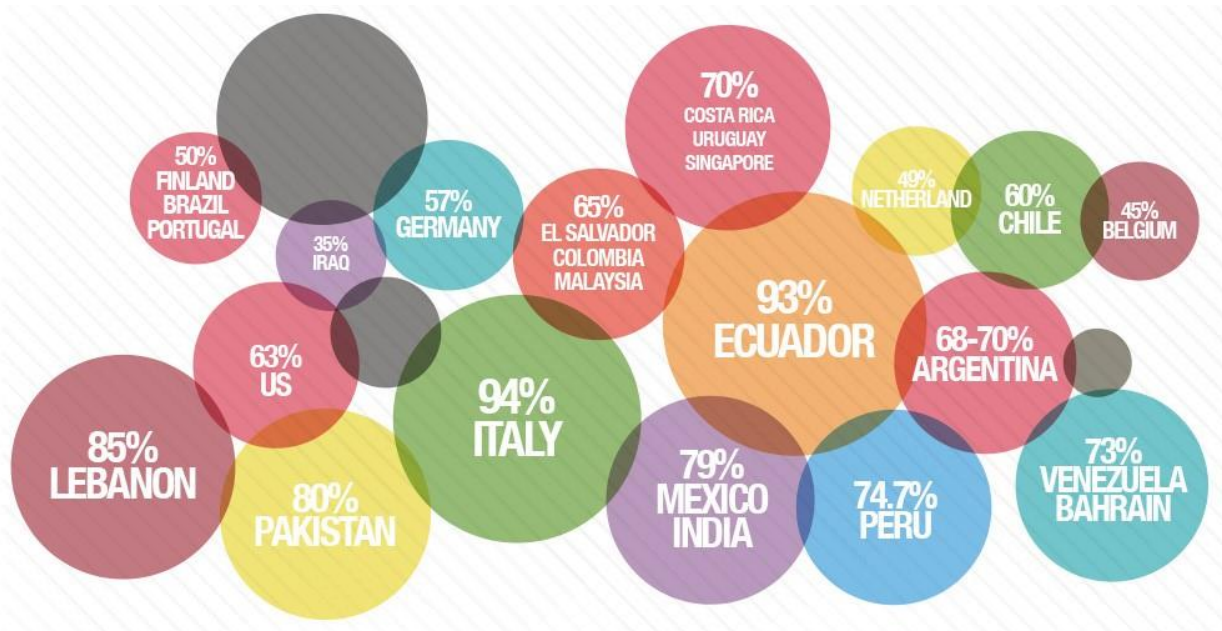


Figure 1. Percentage of contribution of family businesses to GDP. Source: (<https://www.fbn-i.org/sustainability>)

Sole proprietorships up to corporations of international scale are also considered businesses. In various definitions of business, the importance of the business environment and organizational structure, theory of the organization, as well as the need for a management strategy in operations are emphasized (Borisov, P. & Popova, 2021). Business, in a form similar to today's, has existed since ancient times through various trade exchanges, joint agricultural production and the like. If in that activity that should bring profit the main founders, owners or bearers are the members of one family - then we can easily come to the definition of the term family business.

A family business is considered any business in which 2 or more family members are involved and in which the main ownership is in the members of that family. This way of organizing and running the business can be considered as the oldest form of business organization. Since ancient times, when starting a business, trade or similar, it was most logical for people to have help from family members because of the closeness and trust in them.

Family farms, as one of the oldest forms of business organization, represent an early indicator of the way of joint family work. In urban living it was also logical for someone who owned a shop in the hut where he worked to have the help of loved ones from the home environment in his work for whatever was needed. (Osmani, Kolaj, Borisov, & Arabska, 2021).

RESULTS AND DISCUSSION

For family businesses as an important category in the economy and the economy, various scientific studies were prepared already in the 80s, which confirmed the importance and influence that family businesses have. According to statistics, it is assumed that as much as 90% of businesses in the United States are founded or run by a family, (Family Business Statistics, available at:<https://www.inc.com/encyclopedia/family-owned-businesses.html>) the case is similar in Germany (<https://kapital.mk/germanskite-semejni-firmi-rastat-pobrze-na-berzite-otkolku-golemite-kompanii/>), there is data that in Spain about 75% of the businesses are family-owned and participate in GDP with about 65%, similarly in South America - about % of GDP, as well as in other countries in Europe and the world. (<https://www.fbn-i.org/>)

Family businesses create a special atmosphere at work because of the sense of togetherness both in the family and at work. The availability for conversation and consultation outside of working hours, the common interest in progress, the possibility of greater financial benefit that would certainly remain in the family, flexibility in the work of the members, an easier way of control, etc. are just some of the advantages offered by this method. of running a business.

Family businesses have a certain advantage over other businesses that can be seen in terms of the persistence of their work that strives for the long term, with planning for future generations, their commitment to build and maintain quality that is very often associated with the family name of the business, as well as the care of their employees. In addition to the advantages, due to the specificity of the atmosphere that prevails in the environment, these businesses also face many challenges and opportunities for conflicts, which according to statistics represents a failure of up to 70% after inheritance from the next generation! (<https://clearview.com.mk>,<https://www.bizjournals.com/philadelphia/blog/guest-comment/2014/09/the-three-big-reasons-family-businesses-fail-and.html>)

But before analyzing the reasons for family business failure and the ways of preventing and dealing with conflicts, we will first see some peculiarities of family businesses.

The way in which the individual engages in the family business can be at the beginning, an independent founder or jointly with another member, then joining or inheriting. The start of a family business and the entry of another member of the family can be considered from 3 aspects:

- Starting a joint business of 2 or more family members
- Involvement in the business at an early stage by a family member

- Involvement in the business of a member of the next generation.

Each of the stages brings different challenges that need to be properly managed to ensure the continuity of the family business. Practice has shown that most family companies are successful in their initial phase due to the efforts in all aspects of running a business and the enthusiasm of the founder or founders with whom they start the business. However, when it comes to a longer-term plan, there is the necessity of setting up appropriate structures and management mechanisms that will enable efficient communication channels and, of course, a clear definition and division of the roles of each person involved in the family business.

Starting a business of 2 or more family members. Starting a new business is a really responsible step, which is accompanied by a number of risks, so maybe that's why people feel more confident and determined when they embark on that adventure with a close family member. Most often, it is the form of partnership where the spouses begin to function as business partners as well. Of course, if we are talking about a business in which the roles are clearly divided and everyone has their own duties, the work would be easier.

The number of family businesses is also increasing due to the increase in newly opened start-up businesses in whose operation there is the highest probability of joining a family member during the expansion of the business.

The advantage here would be that the partners would stick to their commitment in the firm, the start-up costs are shared, and thus the financial benefit would be shared, within the family. For example, if it is a matter of specificity in the making of jewelry, some kind of art, confectionery products, etc., where the woman would be in charge of the production, and the man would be in charge of the procurement of materials or the delivery of the finished product; or a woodworking business where a woman would be in charge of marketing and product promotion, then this seems like a good business with promising progress. If both partners enter with enthusiasm and a desire to progress, success would be guaranteed. However, practice has shown that with another type of joint business start-up with a family partnership between brothers and sisters, the possibility of conflict is greater. Especially if it is a question of the same or very similar tasks, a conflict can arise from the very beginning about who will be the main bearer of the activity, i.e. who will be the leading entrepreneur. With the very fact and the possibility that brothers, i.e. sisters, have their own separate family with their own partners, the possibility of outside influences and the creation of conflicts increases. Of course, here too, if the duties that each of the members has and the work they will perform are clearly defined, it is easier to establish control and establish the equality of the family members. If however,

Involvement in the business at an early stage by a family member. The involvement of a family member at an early stage of the beginning of the business implies the establishment of the business by only one member - as a start-up company, usually with smaller resources in the investment, while with the progress of the company there was a need for additional help or employment. Usually, in such cases, help is mostly sought from people from the closest environment, i.e. the family. Due to the fact that the business is still at an early stage, during the development period it is possible to talk only about the need for additional help of a few hours or a certain type of obligations for which help would not have to be hired in a standard employment relationship.

For example, if it is about simpler tasks that do not require specific education, predispositions or work techniques, parents can be involved, since they would have flexible working hours, they would be more interested in helping and contributing to the revival and progress of that business. In this way, the family would spend more time together, for a compensation that would suit both parties.

Of course, here too there is a possibility of conflicts in mutual personal relationships, a feeling of belittlement in connection with the work task assigned to him, or the compensation he receives. And if we are talking about the inclusion of a brother/sister regardless of the age difference, in order to avoid such conflict situations, it is necessary to determine the duties that the "new employee" will have, the responsibility that will be required, the compensation that will be it takes the criteria by which it is determined, and what will be done in case of an error, disagreement, etc.

Due to the fact that family ties are specific, this way of doing business is particularly sensitive due to the fact that if you work in a company where something does not suit you - you can freely resign, leave and look for another job, if you quit in the family company it can result in permanently disturbed family relations, which endangers not only the business, but also leads to a division between the family, with which the other members are forced to take sides and the possibility of even greater tense and conflict situations.

Incorporating the business of a member of the next generation. If in the first way of starting a business together there are two or more members with the same or similar experience, ambition and idea for the business, or in the second case involvement as help in an already existing business regardless of the age difference - in the third case where there is involvement in the family business or taking over the work from the next generation is extremely more complicated. The very fact that it is a business that was started by one or more generations before carries more responsibility and weight.

On the one hand, it is about a path that has already been paved and can bring success even with small efforts, but on the other hand, business in general requires adjustment of factors both inside the company, as well as monitoring the changes that are happening in society. And in this way of involvement in the business, several possibilities can be considered.

Involvement in the family business can be gradual, as help in the company, which is an excellent opportunity for learning, which does not bring great responsibility, but gives the successor of the business the opportunity to see inside, the essential responsibilities and obligations in running the business. Sometimes, getting to know and getting close to the business can be a chance for innovation by the successor, which would expand the company's activity in other directions.

The benefits of being involved in the family business are numerous - the individual gets involved in the labor market more easily, there is no initial uncertainty, it is an excellent opportunity for creativity, innovation and orientation towards common goals with greater enthusiasm due to the fact that it is an opportunity for the successor of the business to introduce his own personal stamp and to stand out, to prove itself in the operation, while satisfying a larger goal - continuation of a family business, and enabling it to continue to grow and develop.

But the previously mentioned statistics about the large percentage of family businesses that fail after being taken over by the next generation of heirs leads to the question - what is the reason for this trend?

As the life cycle of people is limited by life span, companies also have their own life cycle that goes through several stages of development, but the advantage is that companies can be continuously successfully passed on to the next generation and repeat that cycle. The founders are especially emotionally attached to their "child" that they founded, watched it grow and develop and invested much more than just time, energy, finances, etc. That process of handing over the business is usually the most painful and challenging, regardless of whether it is a logical time for retirement and withdrawal. There is usually an ego that no one will know how to carry on the business like the founder who started it, and there will always be that skepticism about the successor to the business.

In that process of handing over the heritage, there are several major challenges that need to be addressed, namely: (Higginson and Lewis, 2022)

- To prepare the company to function without its founder
- To prepare the founder to live without the company
- To prepare the successors to take over and run the company independently
- To prepare the whole family and to determine exactly who will inherit what and how much.

In order to make this transfer more "painless", it is necessary to distinguish between possible influence and counseling from retaining control. Authority should be retained, but in the sense of experience, advice and guidance, but when the company is already handed over, it is necessary to give space to the successor to invest something of his ideas and to give him the freedom to decide and lead it the business in the direction that it believes will bring it success and progress. The generational difference itself brings disagreements even when it is not such a serious thing as business succession.

Several steps can be identified in successfully handing over a business (<https://www.intheblack.com/articles/2017/06/07/prepare-family-business-next-generation>):

- Early preparation for business succession
- Communicating the company's vision and mission
- Investing in education and upgrading of knowledge
- To encourage cooperation with other family members
- Being open to innovation and changes in operations.

Being a part of the family business gradually can significantly strengthen the trust between family members. If the heirs are given the opportunity long before the takeover of the business to have a "right to vote" in some decisions, it can have a double benefit. Young people get to know the strategy of the operation and in a way feel important by the fact that their opinion is valued or taken into account, and on the other hand, that generational and authoritative gap is closed and the new successors are much more easily accepted by the other members the family or other employees.

The mission and vision maintained by the company is very important for future generations, who have witnessed the positive impact of their family business on society. The goals and values that they cherish can be an incentive and aspiration for further engagement for the realization of the company's long-term vision.

Investing in education and acquiring skills that will enable the new successor to thrive has proven to be a good practice when taking over a business. With that, he will not only show that he is a worthy deputy, but he will also prepare himself for the challenges ahead. A superficial knowledge of the engagements

surrounding the business is often not enough for success, but a much more detailed preparation is needed to start a new chapter in the family business. For this purpose, the successor also needs to investigate in which field he should focus and build on how he would help his company to develop.

Another important thing is developing good cooperation with family members. Gaining trust through joint engagement around the business can strengthen family ties with other members involved in the business. In that way, it would be possible to work in a positive and safe atmosphere that will have a motivating effect on work processes.

With the rapid technological development, it is possible to modernize the work if it is a matter of production, as well as opening opportunities for advertising and selling products electronically, which offers the opportunity to conquer new markets and attract many more customers, which would increase profits, and that is the important goal in business. It is about the new ways of leadership, management and the importance of constant learning and know-how in business that will be discussed in the third part of this master's thesis.

Advantages and disadvantages of family businesses. Each business carries its own responsibility, has its own specificities, advantages and disadvantages. In family businesses it is even more pronounced. The benefits and advantages of working together are numerous. Mainly the advantage is in the trust in close family members, which is more pronounced in relation to working with "people from outside". Because of that, the members have more time to talk, are more dedicated to work, flexibility in terms of performing their duties. They have a common interest in the progress of the company, and therefore their commitment to fulfilling their obligations is more pronounced. If it is a start of 2 or more members, then the advantage is that the initial investment is shared, trust is greater, family support is extremely important.

If it is about the inclusion of a business at a later stage or the succession of the business, then the advantage refers to the fact that the inclusion is already at a stage when the road has been laid out and the possible weaknesses of the business and possible tricks that should be avoided are known. Also, the family business in some way guarantees the work for the heir of the next generation, therefore, even in the educational process, he can focus on a profession that will enable the family business to progress in the future and will be easier to join the labor market. If it is a small or medium-sized business, where it is part of the home, then it offers the possibility of flexibility in working hours and division of responsibilities. Finances are of course an important factor at the world level in terms of management, so in family firms any profit remains in the family and the decision on the further allocation of resources is common and in everyone's interest. The next generation of business owners also has the advantage of being able to learn from the mistakes of previous family members. The channels of procurement of material or products are usually long-standing and reliable, the brand is already established and the successful work just needs to be continued.

Despite the fact that there are still many advantages, depending on the activity and the size of the family business, however, there are also a number of disadvantages and problems encountered by family members. At the beginning, when starting a business together, problems may arise in the division of tasks and the responsibility that each member will have. The distribution of financial profit is very often the cause of conflicts, when the vanities are settled in the sense of who worked how much and who took how much.

The difference in the character of the parties involved and the mixing of personal problems with professional ones is also a frequent cause of conflict. Bringing disagreements from home can adversely affect the workplace atmosphere. Usually in family companies there is no clear division in the organizational structure and management positions, and the work environment is not in such a professional format. In a company that has employees who are not family members, they are viewed with mistrust and non-transparency in operations, which can create resistance and dissatisfaction among employees. In a family business, there is often a disproportion between the personal interests of the family members which may sometimes be different from the interests of the company and so on.

Conflicts in the family business. When taking over the business, ie. inheritance from the next generation, the possibility of conflicts is even greater. Gaining the credibility of the new person who will take over the running of the business is something that is hard to come by. In this field according to the authors Carlock and Ward (Carlock, Ward and LJ, 2001), to establish that balance between family and business - how to reconcile the wishes and needs of the family and its members individually against the needs and requirements of the business can be achieved by effective planning and management of 5 key variables, namely: Control; Career; Capital; Conflict; Culture.

The first problem that needs to be solved effectively is the problem of control in the family business. Who will have that task and power to decide, to direct, to be the main bearer of important decisions in business and whose word will be listened to. It is very important to realize this in time and at the moment when the business is handed over to the successor of the next generation, the founder knows that it is time to give advice and guidance, help in any form, but leave the control in the hands of the heir. In that way, the successor will be more motivated to work in order to introduce innovations, or through his work and personal mark, he will feel that he deserves the success of the company. If there is an owner who, although he "left" the business, still retained the right to control and make decisions, then the successor's motivation and desire to work will significantly decrease. Especially and because of the generational gap that is present, the importance of the efficient division of control, clear and timely is of exceptional importance. In this way, the conflicts that are the biggest for this reason would be reduced. The second thing that needs to be well balanced is the career issue. Usually in the family business, the activity that the family member from the next generation should deal with is somehow imposed, but it should still support the career progress of the family members. Considering their accomplished career engagements, they should be allowed to progress, especially if it is a young heir who gets involved additionally in the business. In that period of learning and understanding the predispositions for business, it is good to work in the field of interest of the successor and to give him support in enabling career advancement. Here, a mechanism for their advancement should be created and professional upgrading should be included in the expansion of the existing business.

Capital is a leading topic of interest and eternal pursuit in business. Of exceptional importance is the correct planning and management of capital from the family business, both during joint start-up, joint investment, and during the distribution of profits and reinvestment of profits in the development of the family company. Money has always been a cause of conflict and disagreements both in businesses and in family relationships. If it is a joint business start-up, the stake of each of the parties should be clearly defined, as well as the obligations that each member will have. Here the problems usually arise when it

comes to additional help in the business by a family member. The compensation that member will receive is debatable, and often a source of disagreement.

If it is about the distribution of profits from the company's operations, it should be in accordance with the articles and determined in advance how the funds will be disposed of, how much will be reinvested, whether there will be a distribution in the form of a dividend, and taking other steps that are in interest of the company's work.

Conflicts are a serious factor not only for the growth of family companies, but to a large extent for their survival. Establishing mechanisms to resolve conflict situations is important, and care should be taken to separate the private, individual feelings of the individual from the real needs of the company. The culture and values fostered by the family business are an important element for the growth and development of a successful family company. The culture that the family nurtures in private should be transferred as a positive influence in the company's work.

The principles of honesty, mutual respect, respecting time and obligations, maintaining healthy family business relationships, maintaining good communication and respect both among family members and with employees who are not part of the family, as well as many other elements of values and culture are the most important things that should be maintained and passed on to the next generation that will continue the business.

CONCLUSION

Family business today represents a certain form of development of the social community through which it is seen to maintain or increase the rate of economic growth in the country. This business is more and more common in countries with an underdeveloped economy, which strive for faster development. By developing this paper, we made a review that will contribute to clarifying the methodological and value approach to clarifying the business run by small family firms. If a certain review of knowledge is made, then it can be concluded that this type of business represents the most reliable and most adequate form of development of the country's economic parameters. In terms of volume, it seems to be small, but the cumulative values give much greater financial effects and employment, unlike other forms of business organization of this scale of organization. If the advantages expressed in the paper are put in a certain proportion to the effects on the one hand and the disadvantages in a certain proportion to the losses, we can freely draw the conclusion that the organization of small family businesses gives high priority with positive indicators. Such a trend of development cannot have this place by itself if the social community does not stand behind the overall program development of family businesses through clearly expressed paradigms where each individual will be able to build his family platform of family business in advance.

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FREE ZONE IN THE MORE RAPID DEVELOPMENT OF THE FERIZAJ MUNICIPALITY

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ABSTRACT

This paper is based on the research that was conducted during the development strategy of the municipality of Ferizaj. Analysis has been done of the existing economic potential of the Southern Kosovo, the region totally neglected in terms of investment. Results of the research have been produced together with the proposals of strategic priorities, measures and promotions of the free zone as a solution leading to faster development and economic stabilization. The concept of free zones and industrial parks, a model enabling faster development of underdeveloped regions and a mechanism of balancing the economic growth. This is the concept and the way out of the major economic crisis that the municipality of Ferizaj is facing.

KEY WORDS: free zone, development, Southern Kosovo

ABSTRAKT

Die vorliegende Arbeit basiert auf einer Untersuchung, die im Rahmen der Entwicklungsstrategie der Gemeinde Ferizaj durchgeführt wurde. Es wurde eine Analyse des vorhandenen wirtschaftlichen Potenzials des südlichen Kosovo durchgeführt, einer Region, die in Bezug auf Investitionen völlig vernachlässigt wurde. Die Ergebnisse der Untersuchung wurden zusammen mit Vorschlägen für strategische Prioritäten, Maßnahmen und die Förderung der Freizone als eine Lösung, die zu einer schnelleren Entwicklung und wirtschaftlichen Stabilisierung führt, erstellt. Das Konzept der Freizonen und Industrieparks, ein Modell, das eine schnellere Entwicklung von unterentwickelten Regionen ermöglicht und einen Mechanismus zum Ausgleich des Wirtschaftswachstums darstellt. Dies ist das Konzept und der Ausweg aus der großen Wirtschaftskrise, mit der die Gemeinde Ferizaj konfrontiert ist.

STICHWORTE: Freizone, Entwicklung, Südkosovo

RÉSUMÉ

Ce document est basé sur les recherches qui ont été menées dans le cadre de la stratégie de développement de la municipalité de Ferizaj. On a analysé le potentiel économique existant du sud du Kosovo, région totalement négligée en termes d'investissement. Les résultats de la recherche ont été produits avec les propositions de priorités stratégiques, de mesures et de promotions de la zone franche comme solution menant à un développement plus rapide et à une stabilisation économique. Le concept de zones franches et de parcs industriels, un modèle permettant un développement plus rapide des régions sous-développées et un mécanisme d'équilibrage de la croissance économique. C'est le concept et le moyen de sortir de la crise économique majeure à laquelle la municipalité de Ferizaj est confrontée.

MOTS CLÉS: zone franche, développement, Kosovo du Sud

INTRODUCTION

Southern Serbia has been the synonym for poverty for decades. No economic investment has been made in the region, which caused migration of the young and still working population to the more developed towns as well as abroad. Failed privatisation, bankrupt companies, lack of quality personnel, political indifference, these are all factors that contributed to the economic stagnation of the region. (Kastratovic, 2008).

Some attempts in the form of financial injections ended ingloriously due to inadequate planning and improper expenditure of the funds received. The poverty of one region is a huge expenditure for a country, both socially and economically. Socially - in terms of allocating considerable means for the socially vulnerable (which are many in underdeveloped regions), economically - in terms of non-utilization of the resources possessed by the regions.

According to contemporary economic theory and practice, no stable or dynamic economic development of a country is possible, nor a quality of life or the standard of living of the population if the islands of poverty and underdevelopment are allowed to retain (Kolaj, R., P. Borisov, M. Osmani, E. Arabaska (2022)). At the same time, it means that such a society bases its economic and overall policy on the principle of equal opportunity, while the discrepancy between the level of economic, technological and overall social development of certain regions of a country, presents discrimination itself. That is one of the reasons why one of the central issues of sustainable development strategies is balanced regional development. Also the process of European integration of Kosovo is conditioned by the development of the concept and practice of balanced regional development, with the development of the municipalities in southern Kosovo, being the first and most serious test, for a range of characteristics.

Breaking the vicious circle of poverty in which southern Kosovo has been for decades, requires, above all, readiness to face the facts, but also the courage to abandon all restrictions and heritage of the past and start creating a new vision. One of the conditions for the creation, operation and development of SMEs is how the government and the public treat the role, importance and problems of small and medium enterprises. This relationship differed and still differs from country to country, both regarding the space and time. However, it begins to universalize. Southern Kosovo has natural, human and all other resources to take the path of stable and dynamic technological, economic and overall social development and to turn from the oasis of poverty into an attractive place to live. The first step in this direction is the creation of favorable social environment, stimulation and release of creative energy of the people in the region. It is necessary to take into account the experience of all the developed countries that have successfully addressed the issues of balanced regional development. Thus, unless the issues of the development of southern Kosovo are addressed responsibly and competently, Kosovo would remain a prisoner of the poverty of this part of the country.

The aim of the study. The aim of this study was to explore, analyze and define the potential of the region of Southern Kosovo as well as to present the free zone as a solution for faster development and economic stabilization. The investigation included defining and proposing necessary measures and instruments that would contribute to the improvement of economic, infrastructural and institutional development of Southern Kosovo.

Method of work. This research took the case study, as a method that can fully examine all aspects of the potential and the possibilities provided by the municipalities of Ferizaj concerning economic, infrastructural, institutional development.

RESULTS AND DISCUSSION

The research results. Presevo Free Zone as an opportunity for a more rapid economic development of the municipality and Southern Kosovo

Based on the diagnosis of the state of affairs and interviews with local shareholders the establishment of a free industrial zone in the Ferizaj municipality was proposed (Kastratovic, E. (2006).

All involved agreed concerning the importance of locally-economic strategies thus confirming the theoretical interpretation of the strategy and its implementation in practice, i.e. that the strategy is the rational response of the organization to events in the environment in which it performs its core business and wider social mission (Masic, 2007).

The main reason for this is a great chance that the establishment of the Ferizaj Free Zone would quickly see free flow of ideas, goods, services and people, with no customs or other barriers, with minimal paperwork that would surely lead to the expansion of business and entrepreneurial initiative in this area. Free zone would be established in one of the several attractive locations in the municipality of Ferizaj. Free Zone would offer excellent opportunity for road transport, and the fact that the free zone would be on the route of the corridor 10, which would make it particularly attractive given the proximity of the border crossing with Macedonia.

The proposal implies that Ferizaj Free Zone is a modern joint-stock company of shareholders - private companies, banks, government institutions and companies in mixed ownership. Free zone would imply the existence of production and warehousing space where they can realize specific user applications. There would be present programmes in the IT industry, trade houses, multinational companies, distributors of various commodities. Many advantages of doing business in the Free Zone would be available to them, one of which would be tax benefit, given the fact that under the law on VAT no tax is paid on the entry of goods into a free zone except for goods intended for end users in the zone. No tax would be paid on transport provision or provision of other services to customers of free zones that are directly related to housing and goods entering the zone.

Customs benefits go together with tax benefits:

- 1. users of the Free zone would pay no customs services in respect of equipment, spare parts, raw materials, or production materials used for the work in the zone.*
- 2. Customs duties arise only if the goods are exported to the domestic market and they would apply only to foreign components contained in the goods.*

One of the biggest advantages of the Free zone would be that importing and exporting from the zone would be entirely free, meaning that no shipment, import or export licences or other restrictions on foreign trade would be applicable in the area. Also significantly simplified is the procedure for temporary removal of goods from the zone for the purpose of finalizing, completing, processing or installing, certifying or marketing presentations.

Mission of the Ferizaj o Free Zone is to offer its customers the best conditions for doing business in the region, thus indirectly influencing the improvement of the business environment and standards of working and living in the environment, while respecting the highest professional and ecological standards.

In order to improve the quality and enrich the range of services offered, *Ferizaj Free zone* could offer a number of special services, creating "one stop shop" system where users can fully implement their programme in one place with minimum of time and administration - where banks, insurance companies, transport, goods handling services and maintenance, restaurants, etc. Ferizaj Free Zone would boost the economic development of the municipality and through various mechanisms, additional guarantees and stimulations would attract foreign capital.

The Municipality of Ferizaj is characterized by unsatisfactory level of production growth, continuous growth and high unemployment rate and strongly expressed social moment that slows down more rapid economic development. Privatization has not been implemented yet, the economic environment characterizes high level of economic risk and is also disincentive to foreign investors and partners. It is also multiplied by political risk, which is directly connected with and still heavily influenced by the state economy. In such circumstances, the Ferizaj Free Zone will represent a concept of improved quality and affirmatively supported by the state and that can significantly contribute to improving economic conditions and the image of the municipality of Ferizaj. Versatile concept of *the Ferizaj Free Zone is very interesting for the very state as it requires no investment: the state creates micro ambience and conditions therein, and investors donate funds.*

Ferizaj Free Zone can be an oasis of market economy, while local government, state institutions and other relevant economic factors must do everything as to attract and stimulate foreign investors so that they are given additional guarantees and stimulus, while actively following the effects of operation and influencing the spillover of positive effects on the environment of the zone. When a serious company enters the area, it inevitably brings its traditional suppliers and subcontractors who will engage our raw materials, labour, from the municipality of Ferizaj and related industries in the area, so that the business expands in concentric circles and develops slowly but surely starts taking root. This is one of the key arguments for free and industrial zones. By creating the Ferizaj Free Zone, the town would attract more foreign investors, with the market thinking, Ferizaj can become more interesting and economically stronger. With proper positioning and developing this concept, the situation arises that the zone "pulsates causing the environment to do the same". Companies that enter the zone bring their technology of reflection, so that they will technologically advance the business, which is extremely important. However, more important is the fact that foreign investors bring new "technology thinking" - mental revolution. This will upgrade technological performance, there will be essential education and mental changes in the thinking and behavior of the people running the companies and those working in them. This is a very important moment not only as new jobs will be created, but also the quality of staff education will be improved, directly of those employed in the zone, and indirectly those employed in wider environment and who have to adopt certain standards if they want to work with these companies.

The concept of free zones and industrial parks, a model that allows rapid development of underdeveloped areas and mechanism that balances economic development - it is the concept and the way out of major crisis that Ferizaj is facing. The sense lies in the fact that the local authority determines the degree of incentive and guarantees that will be given to investors thus put emphasis on the interest

of outlets. Through quality regulations and a good marketing strategy the municipality of Ferizaj can and must be included in this concept. The most important thing for the Ferizaj Free Zone is the existence of infrastructure, work force, guarantees and incentives, and more importantly, it is the state that promotes it.

Project title	Construction of the PRESEVO FREE ZONE		
Short description of the project	The Project relates to the founding of a modern zone. One of the shareholders to be the municipality.		
Overall basic rationale and objectives	Economic development of the entire municipality		
Implementing institutions, project owner	Ferizaj Town Hall and future shareholders		
Estimated implementation time frame	5 years		
Estimated financial package for investments	90% Municipality shareholders	and	10% Donors
Expected beneficiaries (target groups)	Residents of the town of Ferizaj , businessmen from the municipality and surrounding, investors from surrounding		
Expected benefits (expected gain, or saving, new jobs, type and the level of improvement of the quality of life etc.)	Forming of the Free Zone would provide employment for Ferizaj residents and become attractive to both local and foreign investors.		
State of affairs of the project preparation (eg: feasibility study, preliminary or final design, invoice in respect of the quantities, cost estimate by engineers).	For the proposed project all the required paperwork, studies, documents and other.		

Table 1. Profile of the Ferizaj free zone as long – term municipal development project. Source: own interpretation.

On the other hand, the strategic importance of the formation of the Ferizaj Free Zone is linked with the free trade zone, which is under formation formed in the Balkans i.e. southeastern Europe. In this way, our market will be exposed to additional competition, will be open to their products. It is for this reason that it is very important that this project is implemented as soon as possible so as to increase the production and its quality as well as to sell our products successfully in that market. One of the huge benefits that the Ferizaj Free Zone would have is the fact that the large percentage of the people from this region are temporarily working abroad and they would certainly be quite happy to invest their capital in the creation of free trade zones and their operation, i.e. in the development of the region. Small and medium enterprises have become dominant models in developed economies, while absorbing 60% of total world employment, according to data from the London Business School in 2007 (Djuric, Z., (2008).

STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Very attractive location.	Non-existence of the town planning for the future zone	Freedom concerning initiative by the municipality and other interested businessmen	Free zone in PRISHTINA,
Proximity of the corridor 10	Relative problem concerning privately owned land	Announced acceleration of works on corridor 10 by EU and Greece and the Government of Kosovo	Free zones in Macedonia and Serbia
Proximity of airports in Nis, Skoplje, Pristina Tirana	Presently non-existing infrastructure on location	Reduction of tax charges by the Government of Kosovo	Future free zones in Kosovo
Proximity of railway transport		Reduction of utility and other charges compared to all the municipalities in the region	
Possibility of rapid infrastructure planning in the future		Law on free zones	

Table 2. SWOT analysis for the long-term project Ferizaj free zone. Source: focus group, 2022

The main obstacle to attracting investments in Ferizaj, has so far been a big problem that the municipality has with the infrastructure and it must be solved as soon as possible. For the creation of the Ferizaj Free Zone the assistance could be expected from international organizations (CHF, the European Agency for Reconstruction, UNDP and others) that would certainly support such a concept to come to the solution of major economic problems the municipality is facing.

Future free zone in the Ferizaj municipality would have to be more attractive than any other in Serbia so as to attract future foreign investors. The municipality should give up the income from all duties during the construction of the facilities in the area, including all taxes within ten years from the beginning of the use of the constructed facility. The municipality of Ferizaj should provide an area of 5-10 ha

(hectare), with the possibility of expansion. The room should have an optical cable, water network, sewage and modern power station. It is advisable that manufacturing companies work in the zone, then the companies providing warehouses for storing, packaging of goods, uploading and reloading goods for international transport. It is necessary for the zone to have a container terminal, shipping, and transport organization and it is necessary that all services in a modern logistics centre on the border with Macedonia to be available. It is desirable that the customs office is within the zone, which would guarantee quick service and minimize keeping of trucks and freight trains.

Based on the analysis of the potential and possibilities of Ferizaj a SWOT analysis has been done, clearly defining and reviewing all the power and the chances on the one, as well as weaknesses and threats on the other hand.

CONCLUSION

Conducted research and analysis of the potential of the region of Southern Kosovo made possible the formation of a SWOT matrix and defining the advantages and opportunities of the region that are necessary to use in order to speed up the development and economic stabilization in Southern Kosovo. Swot analysis of the Ferizaj municipality is just an example of possible perception of the potential which should spur the research process and the analysis of other developing municipalities of southern Kosovo.

Great opportunity afforded by setting up of the Ferizaj free zone is the potential of the free flow of ideas, goods, services and people, together with tax and customs exemptions.

Foreign investors recognize the benefits of free trade zones. However, they need to be presented the benefits of investing in the municipalities and towns with unused potential as well as with attractive marketing opportunities. The initial initiative must be taken by the local authorities in cooperation with relevant ministries. Economically underdeveloped municipalities and towns must take initiative to promote their potential in every imaginable business meeting, trade show, meeting with foreign delegations.

Ferizaj Free Zone would offer excellent opportunities to road transport, and the fact that the free zone would be crossed by the Corridor 10, is one of the strongest arguments and basic promotion and presentation of the attractiveness of the municipality. Local authorities must recognize the importance of solving the existing weaknesses defined by Swot analysis. Solving the problem of the private ownership of the land in the direction of the corridor10, non-existence of town planning and infrastructure deficiencies, must be no obstacle to the implementation of the free zone project. Local authorities must, in cooperation with relevant ministries, solve specific problems given the fact that the specific problems result primarily from procedural inefficiency.

Political and economic problems presented barrier to a thorough and systematic approach to solving specific problems of all underdeveloped municipalities and regions in Kosovo. Government as coordinator, led by the Ministry for Regional Development failed to recognize the need for a parallel procedure to establish free trade zones, which led to the opening of free trade zones in only some towns (municipalities) in the Balkans.

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MAIN PROBLEMS IN BULGARIAN AGRICULTURE

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ABSTRACT

Land relations are dynamically developing and influenced by a number of factors, such as the institutional environment, public relations, political goals, etc. Striving for improvement and the intensity with which agriculture is developing in our country, as a sector, poses for consideration a number of questions and problems to be solved in order to achieve stability. The outline of the same has a significant impact on socio-economic outcomes, both in agriculture as a primary sector and on the national economy. The dynamics and future changes in agriculture are in a systemic relationship with changes in European and national politics.

KEYWORDS: subsidies, concentration, lending

ABSTRAKT

Die Beziehungen zwischen den Ländern entwickeln sich dynamisch und werden von einer Reihe von Faktoren wie dem institutionellen Umfeld, den öffentlichen Beziehungen, den politischen Zielen usw. beeinflusst. Das Streben nach Verbesserung und die Intensität, mit der sich die Landwirtschaft in unserem Land als Sektor entwickelt, wirft eine Reihe von Fragen und Problemen auf, die gelöst werden müssen, um Stabilität zu erreichen. Die Umrisse dieses Sektors haben erhebliche Auswirkungen auf die sozioökonomischen Ergebnisse, sowohl in der Landwirtschaft als Primärsektor als auch auf die Volkswirtschaft. Die Dynamik und die künftigen Veränderungen in der Landwirtschaft stehen in einer systemischen Beziehung zu den Veränderungen in der europäischen und nationalen Politik.

STICHWORTE: Subventionen, Konzentration, Kreditvergabe

RÉSUMÉ

Les relations foncières se développent de manière dynamique et sont influencées par un certain nombre de facteurs, tels que l'environnement institutionnel, les relations publiques, les objectifs politiques, etc. La recherche d'amélioration et l'intensité avec laquelle l'agriculture se développe dans notre pays, en tant que secteur, posent à la réflexion un certain nombre de questions et de problèmes à résoudre pour atteindre la stabilité. Les grandes lignes de celle-ci ont un impact important sur les résultats socio-économiques, tant dans l'agriculture en tant que secteur primaire que dans l'économie nationale. La dynamique et les changements futurs dans l'agriculture sont en relation systémique avec les changements dans la politique européenne et nationale.

MOTS CLÉS: subventions, concentration, prêts

INTRODUCTION

The sustainable development of agriculture as a branch of agriculture in any country guarantees its food security. The activity is aimed at the production of material goods and the service of production and the life of the population and is associated with the extraction, processing and processing of raw materials, the production of semi-finished products, goods and consumer items, service of production and the life of the population. The implementation of agriculture, as a process, is influenced by a number of factors directly related to the economy, politics, and institutional characteristics of each country.

With the entry of Bulgaria into the EU, the beginning of a new direction for the development of agriculture is set. This is first of all reflected in the institutional environment, by changing the regulations in order to achieve adaptation to European norms and standards. The many changes that are aimed as a response to the commitments made give rise of course to problematic issues that affect agriculture as an industry. In this article, I will consider several of the main ones, which not only concern Bulgarian agriculture, but are also a reflection of those in the European community.

The aim of this paper is to review the development of agriculture and to present the main problems faced by the farmer.

- Methodology of the study: retrospective analysis, , graphical representation of the legislation in order to show the dynamics in the institutional environment, graphical expression of the number of farmers in the period 2003 -2020 year.

- Subject of the study: the impact of the institutional environment, subsidies and land concentration on the sustainable development of agriculture.

- Object of the study: the impact of subsidies, legislation and access to land in agricultural development.

The analysis will help to clarify the need for changes to achieve sustainable agricultural development in the agricultural sector. It will examine the extent to which the state apparatus has responded adequately in following its views on agricultural development and whether the interests of the public have been served.

RESULTS AND DISCUSSION

WHO does agriculture? The demographic collapse in Bulgaria directly affects the depopulation of more and more Bulgarian villages and their depopulation. The migration to the big cities by more and more Bulgarians is associated with the convenience of offered work and access to institutions. All this has a detrimental effect on the villages that are far from the big cities. They become a source of waste, uncultivated land whose resource cannot be used.

Table 1. Population as of 31.12.2021 by location and gender according to NSI data. Source: National Statistical Institute.

	in the cities			In the villages		
	Women	men	everything	women	Men	everything
Total for the country	2,604,134	2,396,362	5,000,496	923 492	914 949	1,838,441

The aging population in the country, respectively, implies a lower and lower percentage of young people who are involved with their interests in the development of agriculture. According to data from the census of agricultural holdings in Bulgaria in 2020, 24% of those permanently employed in agriculture are aged 65 and over, 11% are under 35 years of age. (The census of agricultural holdings in Bulgaria in 2020). This makes agriculture increasingly threatened by loss of manpower, desolation of uncultivable land and processes in the villages and their modernization closely related to the young generations.

The engagement of people in the agricultural sector compared to those employed in the country's economy is 19.3%, but at the same time those employed under labor law are only 3% of the total employed for the country.

All this represents another challenge to the development of Bulgarian agriculture, which must find a way and help to renew the generations in the agricultural sector, through more serious support in agricultural policy.

The fast one continuity between generations, will ensure the long-term sustainability of the sector.

One of the ways to attract young people into agriculture is to create programs to help them. It is necessary for the state to allocate funds from the national budget, since financial support is the main obstacle to attracting the younger generation. Problems for this and for more and more young people to get involved in the cultivation of agricultural lands are the complicated bureaucracy and the lack of access to land.

Institutional environment. The numerous amendments to the laws and regulations over the years after Bulgaria's entry into the EU bring about a number of changes that are mainly related to the regime for acquiring agricultural land by foreigners or foreign legal entities, as well as by citizens of the European Union countries and by legal entities of these countries. Legislative changes to the Law on the Ownership and Use of Agricultural Lands, the Law on Forests, the Law on Protected Areas and the Law on Restoration of Ownership of Forests and Lands from the Forest Fund are part of a complex of measures aimed at removing existing restrictions on acquiring ownership rights on a land of foreigners.

After the entry of Bulgaria into the EU and the implementation of the common economic policy, the changes in the legislation are also the result of the adaptation of the national institutional environment to the European norms and standards. Some of the changes are required in order to protect against unfair practices when applying the European measures to support farmers. The change in the legislation in the country, however, strengthens the process of unstable land relations.

The adaptation and regulation of the Bulgarian legislation over the years to meet the community commitments, together with the dynamics of development of land relations, makes the changes immature and unsophisticated, which reflects on the entire branch of agriculture. This creates an uncertain environment for farmers.

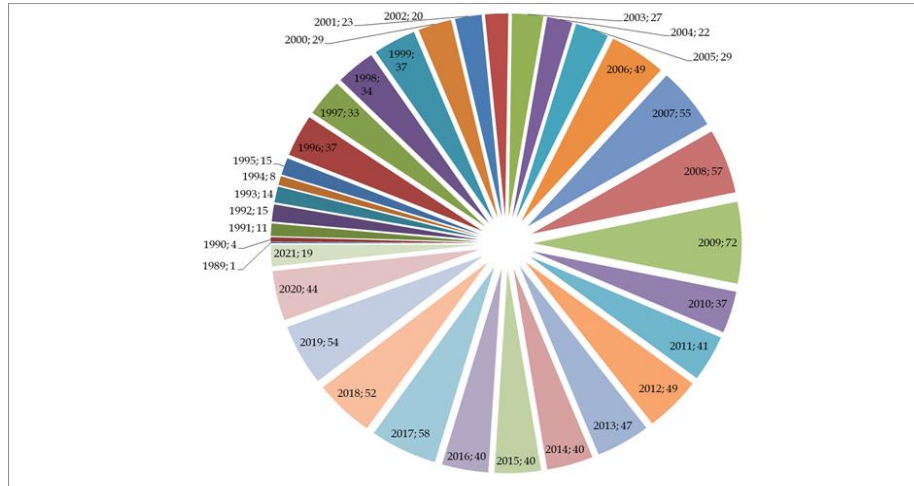


Figure 1. Distribution of legislative changes over the years by number. Source: own research, 2020.

The figure schematically presents the quantitative changes in the legislation concerning property and land relations in the period 1989-2020. The number of laws, as well as the need for the creation of such new ones in different periods, are reflected. The various laws are reflected as well as the number of corrections and amendments that have been made over the years to meet the public need for change.

Subsidies in agriculture have been a particularly topical issue since Bulgaria's entry into the EU to this day. They are received as aid or support for the creation of a farm. Any production can be said to be subsidized if it does not bear the full costs of its operation.

Essentially, agricultural subsidies are meant to support farmers. Already in 2014, however, a change in payment methods was required, as it was found that the subsidization did not achieve the desired effect. Immediately after the publication of the regulation related to direct payments, which was published on the website of the Ministry of Agriculture, the Association of Agricultural Producers in Bulgaria (AAPB) and the National Association of Grain Producers (NAGP) objected to the way of reforming the sector regarding the lack of transparency and analysis. The implementation of the Redistributive Payment Scheme aims to change the fact that a small number of large farmers receive the majority of direct payments, while a large number of farmers are left with negligible subsidies. The implementation aims to stimulate medium and small farms. The result of reform ultimately leads to uneven distribution of subsidies.

In order to avoid fraud and uneven distribution of subsidies, measures should be taken to create and maintain a unified information system that reports in real time the payments of EU funds for agriculture and maintains up-to-date information on individuals who are final beneficiaries. A cap on direct payments to individuals is also needed to avoid an individual receiving hundreds of millions of euros in subsidies over the course of a multiannual financial framework. The establishment of a simplified mechanism to help farmers to report cases of land abuse, violations or any pressure would help justice in the absorption of EU funds by oligarchs or organized crime. An important issue

To date, the imperfections of the subsidization of rural holdings, the many violations found, the direct impact of direct payments on the concentration of agricultural land, the unsatisfactory results in the

stability of agriculture and a number of other factors raise the question of whether the payment of subsidies is profitable at all and their impact on the producers.

With the opening of the debate on the EU's Common Agricultural Policy after 2020, there is increasing talk of introducing risk management measures in agriculture. Funds for the sector will decrease, and with growing criticism of direct payments, alternative support mechanisms will become increasingly relevant. ([What is subsidization through risk management in agriculture? | Bulgarian Farmer \(bgfermer.bg\)](#))

The reasons for the system of direct payments gradually coming to an end can be summarized as a few main ones. Over time, direct payments have proven to be an expensive and ineffective tool for achieving the EU's Common Agricultural Policy. With time and multiple projects to clean up the potential for abuse, the rules will become increasingly complex and difficult to enforce, leading to an increase in the administrative burden on businesses.

In reality, the subsidies are concentrated in a relatively small number of large farms. They turn out to be big enough and strong economically and do not need support.

Subsidies are also unevenly distributed among different branches of agriculture. Direct payments have a spillover effect to the factors of production and especially to the price of rent and agricultural land, leading to their increase. This, in turn, makes it more expensive for new and younger players to enter the sector, worsening its competitiveness and demographic structure. The support does not come on time and according to the specific needs of the individual farms in the different production lines. ([What is subsidization through risk management in agriculture? | Bulgarian Farmer \(bgfermer.bg\)](#))

For comparison, in countries outside Europe, such as the USA, Canada, Brazil, different support mechanisms are used, in which the emphasis is on the control of various risks in agricultural business. Other countries such as New Zealand, Australia have completely eliminated agricultural subsidies. State support for them is mainly focused on ancillary infrastructure important for business, such as irrigation, science, etc.

Access to agricultural land. With the multiple legislative changes with our entry into the EU, aimed at and ensuring conditions for the free movement of people and capital, a new problem has been reached - "land grab". This is how we will mean the transactions that refer to huge foreign or local investments for the acquisition of agricultural lands. The problem, of course, concerns not only Bulgaria, but also the whole of Europe.

According to the Census of Agricultural Holdings in Bulgaria in 2020 of the Ministry of Agriculture, an exceptional growth in the consolidation of agricultural areas is observed.

Both in Europe and in Bulgaria, a concentration of agricultural countries is observed as part of the community. The latest census of agricultural holdings in 2020 gives us a clear idea of the reduction of farms in Bulgaria and at the same time of the growth of their area. The names of Bulgarian entrepreneurs are increasingly reduced and their production is increasingly profiled.



Figure 2. Census of Agricultural Holdings in Bulgaria in 2020. Source: Ministry of Agriculture – Sofia.

The concentration of agricultural land affects the prices of agricultural land. The data of the National Statistical Institute on the basis of the agricultural land in Bulgaria (Lv/dka) give us an idea of what has been happening in recent years.

Table 2. Average prices of transactions with agricultural land in 2010 -2021. Source: National StatisticalInstitute

Statistical areas	2014	2015	2016	2017	2018	2019	2020	2021
Northwest	682	708	735	910	869	923	951	1282
North Central	807	820	895	779	1087	1110	1134	1273
Northeast	957	1040	1157	1401	1345	1397	1443	1541
Southeast	509	636	707	796	802	852	877	928
Southwest	403	415	221	406	189	518	398	652

Consolidation of agricultural land affects access to it. It is increasingly difficult to find arable land as it has already been taken over by larger companies. This, in turn, is reflected in the lack of competition, as well as directly affecting the price of production.

In order to avoid the creation of a monopoly in agricultural production, it is necessary to create a sufficiently effective legal basis, which will manifest itself as a control over transactions related to the purchase, acquisition and management of agricultural land. It is necessary to create an upper limit for the purchase of agricultural land, restrictions on the purchase of land by legal entities and strict control to avoid transactions of a speculative nature.

Lending in agriculture. Small farmers and attracting new and young people to the agricultural sector face another important problem - credit. State policy should focus on the creation of programs and assistance aimed at supporting small and medium-sized farms, as well as new ones. Supporting farming families as part of family businesses in small settlements that sustain life in rural areas and contribute to

not depopulating these places is also of utmost importance. The credit system should be with preferential interest rates and include the crediting of all the challenges facing the farmer.

They should include modernization and mechanization of production, including :

Purchase of machinery, agricultural machinery and high-tech equipment, as well as specialized means of transport.

Creation of sufficiently good conditions for the storage of agricultural produce - silos, grain bases, refrigerators.

To be aimed at supporting the construction and renovation of buildings related to the production of agricultural products - farms, greenhouses, mushroom farms and others.

To finance the establishment of perennial plantations.

The protection of the environment is also not unimportant, so lending should also cover the purchase of machinery and equipment, including manure storage. Energy efficiency-oriented financing would contribute to reducing the production costs of agricultural holdings. The development of agriculture is also related to the purchase of facilities and equipment for irrigation and drainage, including the construction of new and improvement of existing networks in farms.

The sustainable development of agriculture is influenced by a number of factors directly related to the economy, politics, and institutional characteristics of each country. The creation of conditions, mechanisms and an effective regulatory framework would contribute to addressing the challenges facing farmers. Stopping the grabbing of agricultural land will have a positive effect on the development of rural communities and the socio-economic vitality of rural areas, access to land will be ensured. This will contribute to the creation of jobs in the agricultural sector and increase the standard of living of the farming community. The future of the agricultural sector depends on the young generation and its willingness to innovate and invest. Creating good credit, a simplified and clear institutional environment, appropriate programs to help agriculture is the way to ensure continuity.

CONCLUSION

The demographic collapse in Bulgaria and the migration of the young to the cities is a prerequisite for the depopulation of the Bulgarian countryside. The low interest in agriculture implies a serious lack of continuity, which could prove disastrous in the future. Furthermore, the uneven, unfair and insufficiently transparent distribution of subsidies leads to the concentration of agricultural land, the creation of monopolies and the restriction of access to agricultural land. Additionally, the rapid pace of institutional change, which leads to uncertainties and creates an uncertain environment for farmers, contributes to unsustainable agricultural development. Reforms to agricultural development policy are imperative and must not only address the underlying problems but also be framed in a simplified legal framework that ensures clarity and stability for the agricultural sector.

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THE CONCENTRATION OF AGRICULTURAL LAND IN BULGARIAN AGRICULTURE

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ABSTRACT

Analyzing the reasons that led to the need, emergence, development and final result of the concentration of agricultural land will give insight into the benefits and negatives of the process. Examining the issue of the concentration of agricultural land in Bulgaria, as part of the European Union, will introduce us to whether the danger of a monopoly on this primary production resource is real, the point of view of Europe, the policies in the legislation and the envisaged ways to limit it. The purpose of this article is to analyze whether the policy of the EU, individual countries and Bulgaria achieves the creation of order and justice in the distribution of land resources.

KEYWORDS: concentration, agriculture, price of arable land

ABSTRAKT

Die Analyse der Gründe, die zur Notwendigkeit, zur Entstehung, zur Entwicklung und zum Endergebnis der Konzentration landwirtschaftlicher Flächen geführt haben, wird einen Einblick in die Vor- und Nachteile dieses Prozesses geben. Die Untersuchung der Frage der Konzentration von landwirtschaftlichen Flächen in Bulgarien, als Teil der Europäischen Union, wird uns zeigen, ob die Gefahr eines Monopols auf diese primäre Produktionsressource real ist, den Standpunkt Europas, die Politiken in der Gesetzgebung und die geplanten Wege, sie zu begrenzen. Ziel dieses Artikels ist es, zu analysieren, ob die Politik der EU, der einzelnen Länder und Bulgariens die Schaffung von Ordnung und Gerechtigkeit bei der Verteilung der Bodenressourcen erreicht.

STICHWORTE: Konzentration, Landwirtschaft, Preis von Ackerland

RÉSUMÉ

L'analyse des raisons qui ont conduit à la nécessité, à l'émergence, au développement et au résultat final de la concentration des terres agricoles nous donnera un aperçu des avantages et des inconvénients de ce processus. L'examen de la question de la concentration des terres agricoles en Bulgarie, en tant que membre de l'Union européenne, nous permettra de voir si le danger d'un monopole sur cette ressource de production primaire est réel, le point de vue de l'Europe, les politiques dans la législation et les moyens envisagés pour le limiter. L'objectif de cet article est d'analyser si la politique de l'UE, des pays individuels et de la Bulgarie permet de créer l'ordre et la justice dans la distribution des ressources foncières.

MOTS CLÉS: concentration, agriculture, prix des terres arables

INTRODUCTION

The aim of this article is to examine the phenomenon of "concentration of agricultural land" and to give an overview of all the problems arising from it.

The outlined aspects are:

- Research methodology: retrospective analysis including graphical representation and tabular expression of the rise in farmland prices and the number of farms in the period from 2010 to 2021.
- Subject of the study: agricultural land consolidation and its impact on the development of social relations.
- Object of the study: agricultural land consolidation in Bulgaria.

The analysis will help to clarify the necessity of changes concerning agricultural land. It will examine the extent to which the state apparatus has responded adequately in pursuing its views on agricultural development and whether the interests of society have been served. Consolidation of agricultural lands is a matter affecting not only the European Union and Bulgarian lands in particular, but also the lands used for the cultivation of various crops on a global scale. The concentration of agricultural land is the result of different policies over the years, but in the end they lead to the same problem - lack of competitiveness when considering different types of crops, uniformity in production, the inability of Community law to cope with the rapid rates of land grabbing, various policies that still support agglomeration.

RESULTS AND DISCUSSION

In recent years, it has been widely circulated in the public space that land ownership is highly fragmented, which leads to high inefficiency (Nikolov, Borisov and Radev, 2014).

The terms that were often used were "abandoned arable land", "reluctance of young people" to engage in agriculture, "lack of skilled labor". For this reason, the institutions, not only in Bulgaria, but in general, had turned their attention to dealing with this "problem". It was generally considered that states, as institutions, must intervene with adequate measures in land consolidation. In this regard, in Bulgaria, an entire department "For land relations and consolidation" under the Ministry of Agriculture and Food is building programs and strategies to deal with this "problem" with the aim of consolidating the land. It was considered

With the achievement of the consolidation of agricultural holdings, however, a number of problems in the less than ideal policy began to be revealed. With the increasing concentration of agricultural land, the term "land grab" began to be used. In this case, we will explain it as a concentration of land, as a primary production resource in the scope of a limited number of subjects who have it and control its distribution and access to it. By land grabbing, we also mean transactions that involve huge foreign or domestic investments to acquire agricultural land. The phenomenon is characteristic not only of Bulgaria, but also throughout Europe.

The concentration of agricultural land leads to a number of problems and the purpose of this article is to outline the most important of them.

First of all, this is the essence of agricultural land. It is not only a primary production resource, but also characterized by one very important quality, it is limited. This means that the land cannot be produced. For this reason, the problem of future generations, whose interests could be linked to development in the field of agriculture, also arises here. For them, the land will be incredibly more expensive and difficult to access, due to the fact that there will be none available. This will affect not only the price, but also the availability of this resource.

The second problem facing us with the concentration of agricultural land is the ecological one. The fact that large companies are developing the usable agricultural areas while growing mostly uniform

crops implies the aspiration for more and more intensive production. This is usually achieved through excessive use of herbicides that damage soils. The use of non-certified preparations harms not only the environment, but also affects the quality of the produced products. The huge quantities of uniform crops that are produced by the big companies also directly affect the price of the produced, which directly leads to bankruptcy and the inability to cope with small producers. This raises the question of competitiveness.

The monopolization of agriculture also implies in most cases that the big investors are not connected to the local communities, which, on the other hand, we can associate with contributing to the increasing depopulation of the villages, as well as to the increase in unemployment.

The responsibility for agricultural land is not only the maximum extraction of sufficient production to satisfy the population's nutritional needs. It must also be of a quality that makes it competitive on the European market. Not unimportant here will be the question of the way of processing the agricultural lands, as well as the responsibility for the use of the certified preparations used in the cultivation of different types of crops. The non-admissibility of uniformity in production.

In 2017, the European Parliament prepared a resolution and began work with a number of prescriptions for current reforms to deal with the problem of concentration of agricultural land. In various countries, the last ten years have seen an extraordinary growth in the consolidation of agricultural land. It is especially pronounced in Bulgaria. There is an exceptional decline in medium-sized farms in Bulgaria - only 11% are such. And in 2013, only 4% of the producers managed nearly 85% of the agricultural land. In the livestock sector, the situation is no different - 1.5% of the livestock farms use about 66% of the land. A large part of the subsidies that these farms receive are distributed among related parties, according to a BAS report. (BAS 2016, Annual Report 2016 "Economic Development and Policies" in Bulgaria. Topic: The agricultural sector as a factor for the economic development of Bulgaria.)

The deepening of the problem with the concentration of agricultural land is indisputably established in the European Union. (Resolution of the European Parliament of April 27, 2017. on the state of agricultural land concentration in the EU: (2016/2141(INI)). A step-by-step and country-by-country examination of economic entities will contribute to clarifying, both locally and nationally, the long-term occupation of agricultural land. The legal system and the actions of the organizations, as well as their interaction in the individual countries of the EU, are directly related to the possibility of consolidating agricultural lands.

In Bulgaria and the world, more and more farmers are looking for ways to purchase new agricultural land and consolidate their own. The reason for this is the increased amount of subsidies they receive. The implementation of modern technologies in farms is the reason for the ever-increasing investments in farms, through which high competitiveness and better financial incomes are achieved. Opportunities to participate in various measures and programs are one of the ways to receive and invest funds for the development of farms in our country.

The objective of the European Union is the realization of a stable economic environment, respectively a normal production process for the regional and national economies, in general. The determining factor in this case is the market. It affects, on the one hand, the determination of the price on the basis of demand - supply of agricultural land, on the other hand, it is related to the prices of manufactured goods.

Importance of agricultural land. The land is the main production resource for carrying out any kind of human activity, as it is directly related to the nutrition of the population on a global scale, as well as to the construction of infrastructure, the construction of villages, cities and other objects satisfying the needs of the population of the world. It is characterized by a number of qualities and is divided into different types according to its chemical, physical, economic and ecological indicators. The qualitative characteristics of the land include relief, altitude, soil fertility, as well as a number of other factors that determine its purpose.

Land is a primary productive resource, but it is exhaustible and limited. Only 11% of the Earth's surface is dry land. Depending on the qualitative and quantitative characteristics of the land, economic development, productive forces, technological progress of the designated area or country, it can be classified and adapted to the categories of cultivated land or non-cultivable land.

The quantitative assessment of land as a resource includes factors that determine the absolute size of the land and its distribution by types and categories. Agricultural arable land includes fields, permanent crops, natural meadows and created artificial ones. Uncultivable land includes forests, land occupied by settlements, built industrial enterprises and those necessary for the construction of infrastructure.

The quality assessment of the land is determined by indicators that determine the suitability of the considered section of the earth's surface for the cultivation of a given culture. Indicators can be physical, economic and environmental.

The cadastre is the uniting the quantitative and qualitative assessment of the land. "The cadastre is a complex, complex, technical, cartographic, organizational - economic event, which aims to provide information on the ownership, quantity and quality of agricultural lands. The cadastre contains five main elements: registration of the lands, quantitative report of the lands, qualitative characteristics of the lands; credit rating and economic evaluation". (Agricultural Economics, 2002, Plovdiv, Academic Publishing House of the Agrarian University, p. 20). As a primary production resource, land raises a number of questions and is of particular interest, it is the subject of all kinds of studies and research.

What percentage of the world's land is arable? The world's arable land amounts to over 1.4 billion. hectare, which equates to approx 9% of the land, which is a total of 11%. Over half of this area is used for growing bread cereals. Nowadays, there is a tendency to increase the cultivated land, which can be attributed to the message through any channels to improve the efficiency of crop production.

A 2018 study by the US Geological Survey (USGS) revealed that there are 1.87 billion hectares of arable land in the world. Compared to previous assessment reports, this is 15-19% more. According to the USGS analysis, the leading countries with the largest percentage of cultivated area are India with an area of 179.8 hectares, in second place the USA with 167.8 hectares, followed by China with 165.2 million hectares and Russia with 155.8 million hectares.

Cultivable areas in Bulgaria with accounted for 3.496 million hectares as of 2011. They represent 32.2% of the total area of the country. ([Bulgaria - Arable Land \(% Of Land Area\) - 2022 Data 2023 Forecast 1961-2020 Historical \(tradingeconomics.com\)](#)). In the structure of arable land, the largest share falls on fields - 61.1%, in second place are permanent plantations - 3.4%, followed by natural meadows - 4.7%, meadows and pastures represent 22.5% and others land categories – 0.3%.

According to the data of the 2016 Government Report. According to the Ministry of Agriculture and Spain, in the period from 2011 to 2015, cultivated areas in the city increased by more than 2 million decares, the largest of which was the increase of the cultivated fields. A decrease is observed in the cloudy areas and the permanently protected areas.

"If in 2011 the total area of cultivated land in the city was 32.2 million acres, then at the end of 2015 its area reached 34.9 million acres.

Better for the first time the Danny is the first to be the most of the mill - the 2011 pd. For this period, the most noticeable is the decrease in vineyards. In 2011, the registered expectations were 784,680 thousand, while in 2015 they decreased to 542 thousand. dka. The permanently protected areas and meadows also melted a significant part of the grasslands replaced in 2011. At that time, these areas occupied 16.7 million dka, to fall to 13.6 million dka in 2015.

It is interesting that the share of uncultivated agricultural land has actually decreased over the past five years. In 2011, it reached 3.9 million dka, while at the end of 2015 it fell by 2 million dka - to 1.9 million dka. Uncultivated land includes abandoned permanent crops and arable land that has not been used for agricultural production for more than two years, but whose restoration is possible with minimal resources.

In 2015, uncultivated lands decreased by 11.5% compared to the previous year, to 191,258 hectares. ([Cultivable land in Bulgaria has grown by over 2 million acres - Money.bg](#))

From the trend of monitoring the growth of arable land areas not only in Bulgaria, but also in the world as a whole. This could be said to be due improving the efficiency of plant production, as well as improving the lands and their use and classification, such as agricultural ones.

Prices of cultivated land. The price of land is affected by various factors. They can be grouped as follows:

- The price of arable land is determined by the totality of its location, soil and fertility, the possibility of applying new technologies;
- Of utmost importance when determining the price is the availability of built irrigation systems, access to the plot in question - a road or other infrastructure that determines the convenience of using the plot.

Secondly, we can arrange the expected income from farming, taking into account the demand for the output to be produced. The price of production factors in agriculture is also an important point here. I.e. if the prices of these factors decrease, this respectively leads to a decrease in production costs and, accordingly, to an increase in the price of land. A factor of extreme importance is the annual income that the land brings. For the owner this will be the annual rental income and for the tenant it will be the net income per acre of the produce that is produced.

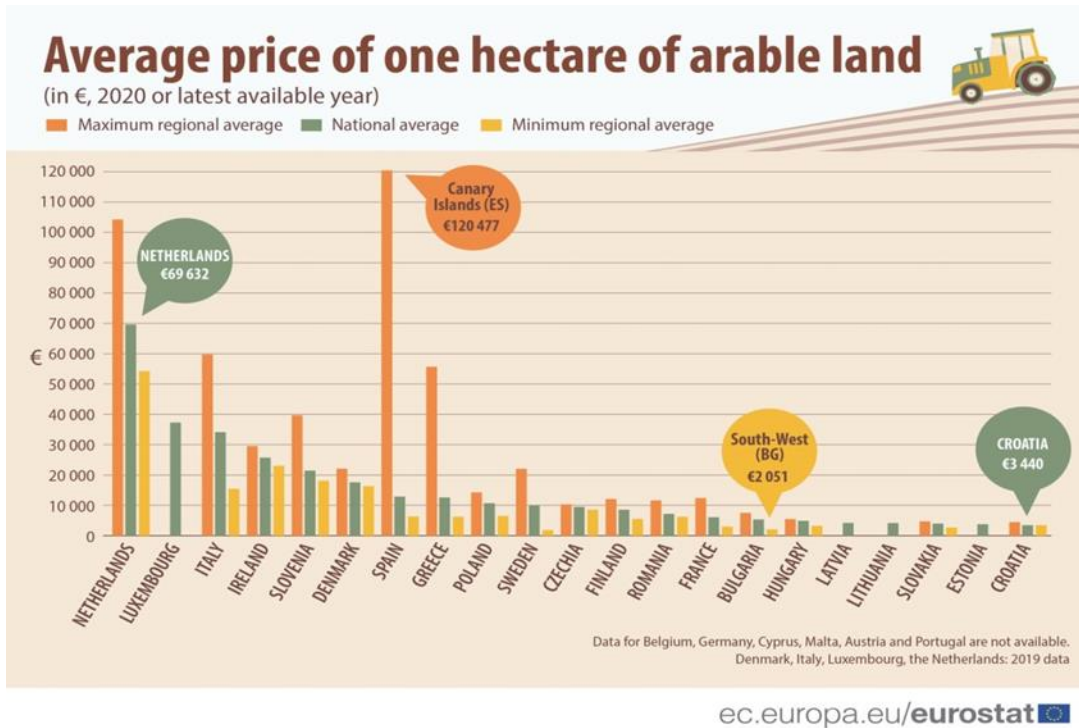


Figure 1. Average price of one hectare of arable land. Source: Eurostat

The credit system in agriculture also plays a significant role in the price of land. If there is a good credit system in place, through low-interest or interest-free loans, as well as preferential ones, the price of land will not show a tendency to increase.

Here we cannot fail to mention the importance of the size of the cultivated land. Larger, consolidated lands are usually of interest to buyers. A problem with them is that they are often owned by more than a few heirs, which makes the execution of purchase or lease transactions much more complicated from a purely legal point of view and, accordingly, leads to greater costs for both parties.

A common possibility is when the seller and owner of real estate owns lands in the cultivable and non-cultivable category. In this case, he is usually looking for a total value of his properties. Here it is important to determine the ratio of arable land to the total price of the properties.

A key role for the price of land is also determined by the subsidies that are paid per hectare under the SEPP (Single Area Payment Scheme). I.e. the land user receives his sum, indirectly increasing the income per deka. This in turn leads to the possibility of paying a higher price for the land itself.

Prices of cultivated land in Europe. A published Eurostat study gives us a clear picture of what is happening to land prices in Europe.

The difference in the price of arable land in Europe is huge. However, if we look at the last decade, we will notice a trend towards an increase in the price of arable land. The reasons for the huge price differences are a combination of many factors. These can be agricultural productivity, state regulation, which includes market control, the amount of taxes, the built credit system in agriculture, the size of the land market – ie. the share of land ownership and leased land.

In Italy and Ireland, a large part of the land is owned and a smaller part is rented. In the Netherlands, which leads with the highest land price, approximately 75% of land is owned and only 25% is rented. There, farmers own over 80 percent of the land.

The situation is different in one part of Germany, however, where just under 40% of the land is owned by farmers.

In the majority of Eastern European countries, the land market after the end of socialism is undergoing a process of transformation, and the situation there points to different results. For example, the share of land ownership in Poland and Romania is extremely high - over 80%, as farms in both countries are of limited size.

Table 1. Average prices of transactions with agricultural land in 2010 -2021. Source: National Statistical Institute

Statistical areas	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Northwest	249	420	493	598	682	708	735	910	869	923	951	1282
North Central	295	447	623	708	807	820	895	779	1087	1110	1134	1273
Northeast	365	555	860	827	957	1040	1157	1401	1345	1397	1443	1541
Southeast	230	271	346	480	509	636	707	796	802	852	877	928
Southwest	302	237	463	301	403	415	221	406	189	518	398	652

In the Czech Republic and Slovakia, farm ownership is 17% and 11%. Po-most of them are rented out, and the farms are very large, similar to East Germany. Hungary has an ownership share of 44%and mixed company sizes.

The championship with the most expensive land is led by the Netherlands, with Dutch land prices rising by around €20,000 or almost 40 in the last 10 years%.

The second most expensive land market in the EU is in Italy. With her, the hectare costs on average about 34,000 euros. Ireland ranks third in the European ranking of land prices with a purchase price of €28,000 per hectare.

In Eastern Europe, there are also countries such as Poland and Romania, where price dynamics are very high. In contrast, prices in France hardly change. In Germany, land prices have roughly doubled in the last 10 years – to around 26,000 euros per hectare. Similar strong price explosions are observed in only a few countries: namely Poland, Hungary and Romania. However, the starting level there is significantly lower.”([How much is a hectare of arable land worth to farmers in Europe — Agrozona.bg](http://Agrozona.bg))

Prices of cultivated land in Europe. In Bulgaria, the period from 2010 to 2021 is also characterized by a significant increase in the prices of agricultural land according to the data of the National Statistical Institute on the basis of agricultural land in Bulgaria (BGN/dka).

Compared, the average prices of agricultural land in the last ten years have grown significantly. If in 2010 it was BGN 276/acre for the country, then in 2021 it will be BGN 1,106/acre. The price of agricultural land is directly related to the increasing concentration. That is, the consolidation of agricultural lands affects access to them, or the supply becomes less and less, while the demand increases comparatively.

CONCENTRATION OF AGRICULTURAL LAND IN BULGARIA

The tendency to consolidate agricultural land in Bulgaria over the last ten years can be traced from the census of agricultural holdings in compliance with the requirements of the European Union - Regulation (EU) 2018/1091 and Implementing Regulation (EU) 2018/1874. The updating of data in individual censuses is carried out through sample statistical studies. The data obtained from the census of agricultural holdings in 2020 years is used for statistical purposes and gives us a clear idea of some basic terms, as well as questions concerning the number of agricultural holdings, the agricultural area used by them (UAA), who they belong to these farms. (CENSUS OF AGRICULTURAL FARMING IN BULGARIA IN 2020, Ministry of Agriculture.)



Figure 2. Census of Agricultural Holdings in Bulgaria in 2020. Source: Ministry of Agriculture – Sofia.

The 2020 census of rural holdings reports a significant decline in the number of holdings, looking at the period since 2003. Compared to 2010, the tendency to reduce farms by as much as 64% is confirmed. The decrease in the number of rural farms, however, contrasts with the agricultural area used by them, i.e. their size increases. The total utilized agricultural area (UAA) is 4,564,152 ha.

Under the UAA of farms, we understand the total arable land, permanent plantations, as well as the areas used for animal grazing. This of course excludes from the concept small agricultural units that do not meet the requirements for agriculture.

About 73% or 3,317,071 ha of the arable land is open and managed by 75,243 agricultural holdings, with 60% of it occupied by grain and wheat plantations, 31% by technical and 25% by permanently grassed areas. According to census data, vegetables are grown on 26,825 ha.

The census of rural holdings in 2020 reports a significant decrease - by 11% compared to 2010 in the breeding of farm animals, birds and bee colonies.

An interesting fact is reported in the census in 2020, namely that 91% of farms are owned by individuals. The trend of increasing commercial companies continues and they reach 6.5%.

The table is borrowed from CENSUS OF AGRICULTURAL HOLDINGS IN BULGARIA IN 2020, Ministry of Agriculture and reports the management of agricultural holdings.

Table 2. Census of Agricultural Holdings in Bulgaria in 2020. Source: Ministry of Agriculture – Sofia.

COUNTING	2003	2010	2020
Individuals	658,594	362	121 372
Sole traders	3,072	2,257	1 751
Cooperatives	1 992	946	714
Commercial companies	1,518	3,921	8,624
Associations and others	372	332	281
TOTAL	665 548	370 222	132,742

Forecast. As cities grow and the rate of construction increases, less and less land is left as arable. Failure to take adequate environmental measures to preserve land as a resource leads to mass deforestation of large areas, soil erosion, and spread of desertification. As a finite resource, land is the basis for the human right to healthy and sufficient food, as well as for many ecosystem services that are vital for survival. (REPORT on the state of play of agricultural land concentration in the EU: how to facilitate farmers' access to land? (2016/2141(INI))

The concentration of agricultural land has a negative impact on the development of rural communities and the socio-economic vitality of rural areas and leads to the loss of jobs in the agricultural sector, lowering the standard of living of the farming community and reducing the availability of food supplies, creating imbalances in territorial development and in the social sphere. (REPORT on the state of play of agricultural land concentration in the EU: how to facilitate farmers' access to land? (2016/2141(INI))

Answer. Collection and analysis of detailed information on the level of concentration of agricultural land in Bulgaria. To take into account the loss of the agricultural land use not according to its intended purpose and such that is built up.

Analysis of market behavior of owners and tenants, taking measures regarding the uneven distribution of agricultural subsidies. The price of the land and the price of the lease should be consistent with the type of produce that is grown on the given plot, as well as with the production capacity of the land.

Regarding the main problem, namely ecology - greater control and imposition of high penalties for the use of non-certified preparations for the purpose of environmental protection. Control over the production and quality of manufactured products, to cover the management and protection of agricultural land. Detailed studies on soil erosion.

High control over transactions related to the purchase, acquisition and management of agricultural land. Creation of a legal base of normative acts for adequate impact against the concentration of agricultural land.

State policy aimed at the creation of programs and aid that are aimed at supporting small and medium-sized farms, loans that help the purchase of equipment and the introduction of innovations that help the cultivation and management of land with preferential interest rates.

Supporting farming families as part of a family business in small settlements that sustain life in rural areas and contribute to not depopulating these places. State intervention and regulation of the market price of local production giving advantage to local production over imported. Regulation of the price of the land, and creation of legal norms creating obligations for the cultivation of the land by the tenants.

Creation of an upper limit for the purchase of agricultural land, restrictions on the purchase of land by legal entities and strict control to avoid transactions of a speculative nature. It is a common responsibility not to allow land to be considered as an ordinary commodity. State authorities are responsible for controlling and limiting the loss of agricultural land. It is becoming an increasingly scarce resource that cannot be increased. Land is not produced. It is the source of the basic human right to obtain food – healthy and sufficient. Its preservation is of utmost importance, taking into account its endangerment. On the one hand lies the problem of loss of agricultural land due to soil sealing, urbanization, tourism, infrastructure projects, land use changes and deforestation, and the spread of desertification caused by climate change. On the other hand, the growing concentration of land managed by large agricultural enterprises and non-agricultural investors limits access to arable land. Failure to take adequate measures by the state as an institution with the introduction of adequate legislation would lead to an even greater deepening of the problem with the concentration of agricultural land.

CONCLUSION

The rapid pace of agricultural land consolidation has a significant impact on the development of agriculture not only in Bulgaria, but in the world as a whole. All of this reflects negatively and leads to an imbalance in social relations, affecting farmers in particular. Institutions are not dealing effectively enough and with the necessary dynamism to isolate and solve the problems associated with the consequences of the concentration of agricultural land. The rapid pace of land grabbing is still the result of various policies that support concentration.

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