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**The Mechanisms of the State Agrarian
 Policy in the Field of Logistics of
 Bulgarian Agricultural Enterprises
 (1991–2007)**

M. D. Georgieva

Ph. D. (History), Associate Professor

ORCID: 0000-0002-0567-1589

georgievamasha@ukr.net

National University of Transport

*1, M. Omelyanovych-Pavlenka street,
 Kyiv, Ukraine, 01010*

Abstract. The article highlights the experience of Bulgaria in the field of public administration and regulation of logistical support of the agricultural sector of the economy under European integration conditions. The legislative bases of support of the national agricultural machine-building are analyzed with the aim of determining the factors of increasing the efficiency of agrarian production, depending on its logistical support in the conditions of European integration. The research methods. In the course of the study, extensive methodological tools were used, in particular, methods of analysis and synthesis, generalization, unity of logical and historical approaches, comparative law, historical law and formal law. *Main results:* It has been found that in order to ensure high efficiency of agricultural production, a wide range of Bulgarian production equipment should be created. State

support was provided by financing targeted programs aimed at improving the logistical base of the Bulgarian village. The state policy of promoting the development of innovative activity of agricultural producers are investigated. *Practical meaning:* The author's proposals to improve the logistics and increase the efficiency of agricultural machinery use by agricultural producers can be used in the formation of national state support policy in the formation of the material base of the Ukrainian village. *Originality:* For the first time in the Ukrainian historiography the Bulgarian experience of logistical support of the agrarian producer in the conditions of European integration are investigated and generalized. For the first time in domestic historiography, the concept of state support of material and technical support of the agricultural sector of the Bulgarian economy is studied and the issue of improving the material base of agriculture is presented. *The scientific novelty* is to substantiate the Bulgarian experience in organizing the system of state support for logistics and supply of the agricultural sector of the economy. The structure of logistical support of the Bulgarian village is revealed through the system of legislative acts and targeted programs. *Conclusions.* The regularities of state support of logistical support of agriculture are studied. It is substantiated that the logistics of agricultural production affects its efficiency and effectiveness. *Type of article:* research article.

Keywords: Agricultural sector of economy; Commodity producer; European Union; Integration; Governance.

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Механізми державної аграрної політики у сфері матеріально- технічного забезпечення сільськогосподарських підприємств Болгарії (1991–2007 рр.)

М. Д. Георгієва

кандидат історичних наук, доцент

ORCID: 0000-0002-0567-1589

georgievamasha@ukr.net

*Національний транспортний університет
вул. М. Омеляновича-Павленка, 1, м. Київ,
Україна, 01010*

Анотація. Висвітлено досвід Болгарії у сфері державного управління та регулювання матеріально-технічного забезпечення аграрного сектора економіки в євроінтеграційних умовах. Здійснено аналіз законодавчих засад підтримки національного сільськогосподарського машинобудування з метою визначення чинників підвищення ефективності аграрного товаровиробництва, залежно від його матеріально-технічного забезпечення в умовах євроінтеграції. *Методи дослідження:* у ході дослідження було застосовано широкий методологічний інструментарій, зокрема, методи аналізу та синтезу, узагальнення, єдність логічного та історичного підходів, порівняльно-правовий, історико-правовий та формально-юридичний. *Основні результати:* з'ясовано, що задля забезпечення високої ефективності сільськогосподарського

виробництва необхідно створити широкий асортимент матеріально-технічних засобів болгарського виробництва. Державна підтримка здійснювалася шляхом фінансування цільових програм, спрямованих на покращення матеріально-технічної бази болгарського села. Досліджено державну політику сприяння розвитку інноваційної діяльності сільськогосподарського товаровиробника. *Практичне значення:* пропозиції автора по вдосконаленню ефективності використання сільськогосподарських машин аграрними товаровиробниками можуть бути використані при формуванні вітчизняної державної політики підтримки при формуванні матеріально-технічної бази українського села. *Оригінальність:* вперше в українській історіографії досліджено та узагальнено болгарський досвід матеріально-технічної підтримки аграрного виробника в умовах євроінтеграції. *Науковомовизнаполягає* в обґрунтуванні болгарського досвіду в організації системи державної підтримки матеріально-технічного забезпечення та постачання аграрного сектора економіки. Розкрито структуру матеріально-технічного забезпечення болгарського села через систему законодавчих актів та цільових програм. *Висновки:* вивчено закономірності державної підтримки матеріально-технічного забезпечення сільського господарства. Обґрунтовано, що матеріально-технічне забезпечення аграрного виробництва впливає на його ефективність та результативність. *Тип статті:* дослідницька.

Ключові слова: аграрний сектор економіки; товаровиробник; Європейський Союз; інтеграція; державне управління.

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Механизмы государственной аграрной политики в сфере материально-технического обеспечения сельскохозяйственных предприятий Болгарии (1991–2007 гг.)

М. Д. Георгиева

кандидат исторических наук, доцент

ORCID: 0000-0002-0567-1589

georgievamasha@ukr.net

*Національний транспортний університет
 ул. М. Омельяновича-Павленко, 1,
 г. Киев, Украина, 01010*

Аннотация. Освещен опыт Болгарии в сфере государственного управления и регулирования материально-технического обеспечения аграрного сектора экономики в евроинтеграционных условиях. Осуществлен анализ законодательных основ поддержки национального сельскохозяйственного машиностроения с целью определения факторов повышения эффективности аграрного товаропроизводства, в зависимости от его материально-технического обеспечения в условиях евроинтеграции. **Методы исследования:** в ходе исследования были применены широкий методологический инструментарий, в частности, методы анализа и синтеза, обобщения, единство логического и исторического подходов, сравнительно-правовой, историко-правовой и формально-юридический. **Основные результаты:** установлено, что для обеспечения высокой эффективности сельскохозяйственного

производства необходимо создать широкий ассортимент материально-технических средств болгарского производства. Государственная поддержка осуществлялась путем финансирования целевых программ, направленных на улучшение материально-технической базы болгарского села. Исследована государственная политика содействия развитию инновационной деятельности сельскохозяйственного товаропроизводителя. **Практическое значение:** предложения автора по совершенствованию материально-технического обеспечения и повышению эффективности использования сельскохозяйственных машин аграрными товаропроизводителями могут быть использованы при формировании отечественной государственной политики поддержки при формировании материально-технической базы украинского села. **Оригинальность:** впервые в украинской историографии исследован и обобщен болгарский опыт материально-технической поддержки аграрного производителя в условиях евроинтеграции. **Научная новизна** заключается в обосновании болгарского опыта организации системы государственной поддержки материально-технического обеспечения и снабжения аграрного сектора экономики. Раскрыта структура материально-технического обеспечения болгарского села через систему законодательных актов и целевых программ. **Выводы:** изучены закономерности государственной поддержки материально-технического обеспечения сельского хозяйства. Обосновано, что материально-техническое обеспечение аграрного производства влияет на его эффективность и результативность. **Тип статьи:** исследовательская.

Ключевые слова: аграрный сектор экономики; товаропроизводитель; Европейский Союз; интеграция; государственное управление.

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Formulation of the Problem. The formation of modern agrarian policy of Bulgaria is taking place against the background of a deep social-economic crisis. In this regard, the orientation of the state agrarian policy should be based on the need to create conditions to ensure effective stimulation of agriculture in order to meet the needs of the population of the country for its products, high motivation of agricultural workers, proper pricing, improvement of financial and credit relations, market relations in AIC, solution of social problems of the Bulgarian village, formation of material and technical base of agriculture, etc.

Logistical support of agricultural producers was an important prerequisite for proper organization of the production process. Without it, the production of agricultural products, the supply of foodstuffs to the population and agricultural raw materials is impossible. Without the proper equipping of agrarian farms with various agricultural machinery (machinery, aggregates, equipment) it is unlikely that one can expect the amount of agricultural production that is necessary to satisfy the needs of the Bulgarian population. So, the development of such sectors of the national economy, which are intended to provide various (and especially from logistical support) requests of agricultural producers, was necessary and extremely important. In turn, timely provision of agricultural products to agricultural producers, as well as keeping them in good technical condition, created conditions for increasing agricultural production, and, thus, strengthening the country's food security.

At the present stage, the logistics of agriculture is a complex set of relationships that cover the activities of agricultural machinery manufacturers, logistics companies (including intermediaries), based on various forms of ownership. The chronological boundaries of the topic of the scientific article are 1991 – the adoption of the Law on ownership and use of agricultural land and the transition from the command model of management of material and technical base of agricultural production to the market model; 2007 – Bulgaria's accession to the European Union. Certain aspects of the state agrarian policy in the issue of material and technical support, covered in the article, could be used in the formation of the domestic policy of state support in the issue of material and technical support of the Ukrainian village. It would be expedient to borrow the Bulgarian experience of state protectionism in the logistical equipment of agricultural production in order to find new priority areas of technical support for the industry.

Historiography. The problems of material, technical and technological support for agricultural producers, the current state of agricultural machinery, the modernization of the machine-tractor fleet of

agricultural enterprises are constantly discussed in scientific publications. The following scientists investigated the issues of logistical support: D. Ruscheva (Ruscheva, D., 2010), I. Penkov (Penkov, I., 2008), I. Tutyundzhiev (Tutyundzhiev, I., 2011), D. Vachkov (Vachkov, D., 2011), M. Anastasova (Anastasova, M., 2015) and others. Unfortunately, the problems of legal regulation of logistical support of agricultural enterprises have received little attention.

The Aim of the Study is to determine, on the basis of a scientific analysis of the measures of the Bulgarian state authorities on the reform of the logistical base of the Bulgarian village, the historical and legal conditions and regularities of state regulation of the technical equipment of agricultural production.

The Main material and Results. At the legislative level, the relevant social relations were regulated by both general and special normative acts, in particular the Laws of Bulgaria «On Encouragement of the Development of the Bulgarian National Machine Building for the Agroindustrial Complex» of 7 February 2007, «On Protection of the Rights of Buyers of Agricultural Machines» of 5 June 2008, «On the System of Engineering and Scientific and Technical Support of the Agroindustrial Complex of Bulgaria» of October 5, 2008 (Vachkov, D., 2008, p. 173–176). These regulations define main directions of the state policy of priority development of the Bulgarian agricultural machinery, as well as its principles, forms, methods, organizational and economic levers aimed at the creation, testing, production, implementation, use and maintenance of technical means for the agro-industrial complex.

The task of improving the material and technical support of agriculture was to be decisive in the development of agrarian policy of the state. In Art. 4 of the Law sets out the ways of realizing the main priorities of the state agricultural policy. Thus, the re-equipment of the logistical base of agricultural enterprises had to be carried out by improving long-term crediting, partial compensation of the cost of complex agricultural machinery at the expense of the State Budget of Bulgaria, the system of financial leasing, supporting the development of infrastructure of logistical support (Vachkov, D., 2008, p. 177).

In practice, the state support programs adopted under these legislative acts did not operate. Also, at the state level a strategy for the implementation of economic policy for logistical re-equipment of Bulgarian agriculture has not been defined.

The lack of a systematic approach to solving the problems of logistical support of the Bulgarian village in the current market conditions has led to the fact that this problem has become national in recent years. Thus, the logistics of agriculture has been deteriorating every

year. In 1990, agricultural enterprises accounted for 495 thousand units, tractors, and in 2012 their number was 151 thousand; of combine harvesters in 1990–107 thousand, in 2012–32 thousand, trucks in 1990–296 thousand, and in 2012–96 thousand. (Tyutyundzhiev, I., 2011, p. 104). The number of other agricultural machines and implements has decreased significantly. The unfavorable economic situation during the years of reformation in the agro-industrial complex of Bulgaria, the disparity in prices for agricultural and industrial products have led to a significant decline in the purchasing power of the vast majority of agricultural producers. The result of the agrarian and land reform in Bulgaria is that today most agricultural enterprises are based on private ownership of land and property.

However, the question of improving the legal status of state and communal agricultural enterprises remained: the agricultural research institutions, research farms of educational and scientific institutions, state variety testing stations and sorting plots, breeding special farms and equestrian plants, farms that cultivated plants, elite seed varieties and more. These enterprises were directly subordinated to the Ministry of Agriculture and Food of Bulgaria, the Academy of Agricultural Sciences of Bulgaria (hereinafter – AASB). According to the State Statistics Service of Bulgaria, the number of state agricultural enterprises amounted to 294 as of 2013, i. e. they accounted for 0.6 % of the total number of agricultural enterprises of various forms of management (Bashev, Kh., 2018, p. 71).

The need for further development of the agro-industrial complex, increasing the volume of production of competitive agricultural products and promoting it to world markets, the need to guarantee the food security of the country and other factors led to the need to use scientific products created by the NSA.

Currently, the Academy's network is comprised of 90 scientific institutions, including 10 national scientific centers, 32 industry and zonal institutes. The latter is subordinated to 42 state research stations, 2 research centers, 1 research field. In addition, 38 SOEs, research farms and four other organizations are directly subordinated to the AASB (Bashev, Kh., 2018, p. 112).

The state should not only control, but also promote the development of such state-owned enterprises. On the level of development of breeding stock (for the creation of breeding animals, breeding new breeds of livestock) and breeding (breeding and cultivation of elite varieties of crops) increased the volume of production of products of animal and vegetable origin, improving its competitiveness in both domestic and world markets. The state should continue to promote the development of such enterprises in the agricultural sector of the economy, since the main task

of these enterprises was to ensure food security and food independence of the country. And hence in the conditions of market relations in the interests of the whole society under the control of the state should always be the activity of specialized state agricultural enterprises.

Returning to the problems of logistical support, it should be noted that the machinery and tractor fleet of most state-owned agricultural enterprises can be characterized by the following indicators: (a) a high proportion of morally and physically worn machinery; (b) low technical readiness of the tractor fleet; (c) high frequency of failures of technical means during the period of work; (d) inconsistency of the allocation of available technical means to the requirements of innovative technologies for growing agricultural crops; (e) mismatch of technical capabilities of the existing material and technical base to the structure and scope of work. The material and technical base of these enterprises, created in previous years, was declining. In the structure of the machinery and tractor fleet, a large proportion of tractors and other machinery have been in operation for more than 10 years (Slavova, J., 2012, p. 34). The number of fixed assets in agricultural enterprises decreased from year to year, and the load per unit of machinery increased accordingly. Therefore, issues related to the logistics of state-owned agricultural enterprises have become particularly relevant.

At the legislative level, namely in the Laws of Bulgaria «On the state support of the agriculture of Bulgaria» of July 16, 2009, «On the basic principles of the state agricultural policy for the period up to 2015» of November 28, 2009, logistics of agricultural enterprises was proposed to carry out by means of long-term crediting, partial compensation of the cost of complex agricultural machinery at the expense of the State Budget of Bulgaria, development of leasing relations and creation of agricultural servicing cooperatives (Nathan, J., 2013, p. 90). However, the real need for state-owned agricultural enterprises, considering specific nature of their management and the particular legal situation, had to be taken into account.

The activity of state agricultural enterprises was mainly regulated by the provisions of the Bulgarian Commercial Code of January 16, 2003, although the need for the adoption of a special law «On State Agricultural Enterprises» was repeatedly emphasized in scientific legal and economic works (Zakharieva, G., 2007, p. 118).

In order to determine whether it is possible to provide logistical support to state agricultural enterprises with the proposed means, let us consider the concepts and features of such enterprises, as well as the legal regime of their property.

A state agricultural enterprise is an independent economic entity created by the decision of a competent authority of the state or local self-government to meet public needs for products of plant and animal origin through the systematic implementation of production, scientific, technical, trade and other activities in the manner provided the legislation of Bulgaria (Gerganov, G., 2010, p. 94).

The state agricultural enterprise operated on the basis of state ownership, had the status of a legal entity, carried out production (producing food, food and raw materials of animal and vegetable origin) and business activities for profit.

The signs of a state agricultural enterprise:

1) it is an independent entity in the agrarian sector of the economy, which had the status of a legal entity – had an independent balance sheet, current and other accounts in the institutions of banks, a seal with its name and identification code;

2) it was created by decision of the Ministry of Agrarian Policy and Food of Bulgaria or the Presidium of the National Academy of Agrarian Sciences of Bulgaria in an administrative order on the basis of a separate share of state property;

3) the property of the state agricultural enterprise was in the state ownership and was assigned to it by the right of economic management or operational management;

4) such an enterprise acted on the basis of a charter approved by the owner of his property. The charter contained information on the name and location of the enterprise, the purpose and object of its activity, the size and procedure of formation of the authorized and other funds, the procedure for distribution of profits and losses, the management and control bodies, their competence, the conditions for reorganization and liquidation of the enterprise. The charter was developed on the basis of the Exemplary, approved by the order of the Ministry of Agriculture and Food of Bulgaria «On approval of the exemplary statute of the state enterprise, which is within the sphere of management of the Ministry» of December 12, 2008;

5) it was a specialized agricultural enterprise, as it specialized in the production of homogeneous products. The activities of such enterprises can be directed not only to the cultivation of agricultural products, their processing and sale, but also to the implementation of national and regional production and scientific and technical programs and the development of agriculture in general;

6) it is a large production agricultural enterprise with a high culture of production, which was provided by highly qualified specialists in the field of agriculture;

7) direct management of the state agricultural enterprise was carried out by the director, with which the owner concluded an employment contract;

8) the reorganization or liquidation of such an enterprise was carried out by the decision of the owner (Gerganov, G., 2010, p. 95).

The agrarian and legal literature also identifies such basic specific features of a state agricultural enterprise as an organizational form of conducting commodity agricultural production: (a) the use of land as the main means of production and (b) the object of activity – production, processing and sale of agricultural products (Marenich, T., 2005, p. 38). It should be noted that the above traits are inherent not only to state agricultural enterprises, but also to all other agricultural producers.

Under the legal regime of property, enterprises we understand the legal procedures and conditions for the acquisition (appropriation) of property, the exercise of certain powers of ownership, management of property, and its legal protection by certain entities. Hence, the legal regime of property of state-owned enterprises is the rules, opportunities, limits of «domination» over certain property established by normative acts (Penkov, I., 2008, p. 82).

Article 139 of the Bulgarian Commercial Code stipulates that property is a set of things and other values (including intangible assets) that have been valued, produced or used in the activities of economic entities and reflected in their balance sheets or taken into account in other statutory forms of property accounting these subjects (Slavova, J., 2012, p. 109). In the classification of types of property attention should be paid to the division of property into movable and immovable. The real estate included land, subsoil, separated water bodies and everything related to land: forests, perennial plantations, buildings, structures.

The Bulgarian legislation defines the main sources of formation of property of business entities. According to Art. 140 of the Code, it can be formed from the following sources: monetary and material contributions of the founders; income received from the sale of products (works, services); income from securities; capital investments and budget subsidies; proceeds from the sale (leasing) of property (complexes) belonging to them; acquisition of property of other entities; loans from banks and other creditors; free and charitable contributions, donations from organizations and citizens; other sources not prohibited by law (Slavova, J., 2012, pp. 109–111).

The property of a state agricultural enterprise was assigned to it under the right of economic management, which was a real right of the entrepreneur who owned, used and disposed of the property assigned to him by the owner (his authorized body), with the limitation of

the authority to order certain types of this property. The limitation of such powers was that the state agricultural enterprise had no right to alienate, to force property objects belonging to fixed assets, to lease whole property complexes of structural units and subdivisions without the prior consent of the body to which the enterprise belonged.

Therefore, in comparison with other forms of rural economy, the state agricultural enterprise had additional restrictions in its powers, namely:

1) founders (such enterprises are forbidden to create entrepreneurial structures and participate in them);

2) regarding the disposal of property assigned to it on the right of economic management (it is forbidden to transfer property to any person free of charge; the alienation of fixed assets should be carried out only on a competitive basis and with the consent of the authority authorized to manage state property – the branch ministry (departments), the state economic association;

3) regarding the disposal of profit (the enterprise can dispose of it only in accordance with the requirements of the law and the provisions of the charter);

4) concerning the conclusion of business contracts (obligatory acceptance of such a contract by the enterprise and conclusion of a state contract).

Having considered the concepts and features of the legal regime of property of state agricultural enterprises, we can turn to the question of their logistics.

According to Art. 4 of the Law re-equipment of the logistical base of agricultural enterprises had to be implemented by improving long-term lending. At the present stage of agricultural development, the crediting of agricultural enterprises is an important and necessary form of financial assistance to producers in carrying out their production, economic and business activities. Its necessity was dictated by the following conditions: a) seasonal gap between current production costs and the flow of resources; b) inflationary processes, which led to the depreciation of the funds that the farms would have received after the sale of the products produced by them, to the increase in the prices of material and technical means of production; c) the need to develop the material and technical base of the farms themselves, regardless of the expected profits from the sale of manufactured products (Popov, R., 2012, p. 181).

Limited access to credit was driven by high bank interest rates, which prevented agricultural businesses from using them. Thus, the interest rate on agricultural loans was about 23 % per annum in national currency and 7.7 % per annum in foreign currency (Dmitrychenko, L., 2001, p. 37).

In Bulgaria there are many programs of support for crediting agricultural enterprises. Therefore, the main task was to consider and select the programs that were most suitable for each individual agricultural enterprise.

An effective way to get credit to the agricultural sector was to reduce the cost of loans by partial offsetting interest rates at the expense of budgetary funds. The legal basis for granting such funds for cheaper loans to agricultural enterprises was the resolution of the Council of Ministers of Bulgaria «On Approving the Procedure of Using the Funds Provided in the State Budget for Financial Support of Measures in the Agroindustrial Complex» of February 13, 2012, which approved the relevant Procedure directing budgetary funds to provide financial support to agribusiness entities through the mechanism of cheaper loans and leasing payments (Natan, I., 2013, p. 147).

However, farmers could not always benefit from the existing credit support mechanism by partial offsetting the loan rate. In particular, it denied this unprofitable enterprises. In the conditions of low level of profitability, and often of loss, low liquidity of assets, state agricultural enterprises were not creditworthy.

Lending deficiencies in the agricultural sector were also affected by the high mortgage requirements imposed by banks to secure loans. For example, when lending to spring-field work, commercial banks issued loans on either a ten-fold pledge of property of an agricultural enterprise or a pledge of personal property of its manager. It is clear that most agricultural enterprises were unable to avail themselves of such loans.

Bulgarian agricultural producers could also obtain loans secured by property, surety and other types of security. Collateral relations, which were a means of ensuring the fulfillment of obligations, were regulated by the Law of Bulgaria «On the pledge» of October 2, 1992. B., 2009, p. 160).

Therefore, as a result of the Act, state agricultural enterprises have had difficulties in attracting credit resources. Commercial banking institutions almost did not enter into loan agreements with state agricultural enterprises, because in fact there was no mechanism for repayment of credit debt through the sale of property of such agricultural enterprises. When concluding credit agreements as a collateral, state agricultural enterprises could offer only working capital, which could be attributed to the future harvest.

Analyzing the main features of credit relations with the participation of state agricultural enterprises, we can distinguish the following features of their lending, which influenced their access to material and technical resources:

1) such businesses could not benefit from the existing credit support mechanism by partial offsetting the loan rate because most of them were non-profitable with low liquidity;

2) these entities did not have access to long-term credit;

3) state agricultural enterprises had a limited range of collateral, which made it difficult to obtain credit;

4) these businesses had access to credit through the introduction of a credit instrument such as agrarian receipts.

The above leads to the conclusion that the implementation of logistical support of the state agricultural enterprise by attracting credit was actually impossible.

Hence, there was a need to improve the legal regulation of lending to both agricultural enterprises in general and state agricultural enterprises in particular, which had to be carried out in the following areas:

1) since one of the main characteristics of Bulgaria's agricultural production was its seasonality, it is important that credit funds to be received in the appropriate periods of the year;

2) owing to the increased creditworthiness, provision should be made in legislation for granting loans to agricultural producers on preferential terms;

3) provision should be made for the provision of targeted loans, grants and subsidies for the acquisition by agricultural producers of logistical products (agricultural machinery, equipment, units and parts thereof, etc.);

4) provision should be made for the possibility of crediting agricultural producers with commercial banks under budgetary guarantees;

5) it is necessary to create a specialized banking institution for crediting agricultural producers.

The next way to improve the logistics of agricultural enterprises in Bulgaria was the development of leasing relations. Leasing has given agricultural businesses the opportunity to access new, highly efficient machinery and advanced technology in difficult economic conditions.

Leasing is a unique tool for updating the material and technical base of agricultural enterprises, which combines the characteristics of rent and credit. At the legislative level, leasing relations were regulated by the Civil Code of Bulgaria, the Economic Code (Article 292) and the Law of Bulgaria «On Financial Leasing» as of December 11, 2003 (Zaharieva, G., 2007, p. 216).

The use of leasing relations had several advantages in upgrading the material and technical base: (a) agricultural enterprises were provided with state support in purchasing the necessary equipment on leasing terms; (b) the ownership of the leased asset was transferred to the lessee after the expiration of the

residual value lease agreement; (c) the leasing asset was accounted for on the balance sheet of the leasing company; (d) no security deposit was required when entering into the lease agreement; (e) flexible system of leasing payments (once a month, once a quarter, at the end of the contract, etc.); (e) the leasing company has assumed all the costs of arranging the leasing contract, insurance of the leased item and its further servicing; (h) the lessee was able to choose the subject of the lease agreement and its manufacturer independently; (g) leasing facilitated the attraction of foreign investment in the form of machinery and equipment for agricultural enterprises (Vachkov, D., 2009, p. 319).

It should be noted that at present the state has considered the introduction of financial leasing as one of the priority directions of updating the material and technical base of agricultural producers by the purchase of Bulgarian machinery, which was a certain manifestation of the modern state agrarian policy of Bulgaria.

Thus, according to the decree of the Council of Ministers of Bulgaria «On the procedure of using the state budget funds, which was aimed at the purchase of Bulgarian machinery and equipment for the agro-industrial complex on terms of financial leasing and measures under financial leasing operations» of December 10, 2003, the source of financing the purchase of equipment for its transfer for use on the terms of financial leasing were provided in the state budget; for this purpose the funds were used on the terms of turnover in accordance with the concluded contracts.

For the use of agricultural machinery, the lessees paid a fee (lease payments) in accordance with the terms of the financial lease agreement, taking into account the requirements of Part 2 of Art. 16 of the Law of Bulgaria «On Financial Leasing». At the same time, the amount paid as a remuneration to the lessor for the leased equipment was 7 % per annum of its undamaged value. The equipment was leased out on condition that the lessee made a down payment, which amounted to at least 10 % of the cost of the equipment, which did not include the lease payment for the lessor's remuneration (Vachkov, D., 2009, p. 319–321).

The legislation also provided for compensation for leasing payments. Thus, compensation for leasing payments was provided to the entities of the agro-industrial complex for machinery and equipment purchased under the terms of the financial leasing according to the list determined by the Council of Ministers of Bulgaria for the paid: leasing payment in the amount of 40 % of the value of the leased item to which the villager belonged; and / or equipment for the agro-industrial complex or machinery and / or equipment for the agro-industrial complex of foreign

production, unless the corresponding analogs were produced in Bulgaria; fee to the lessor in the amount of 1.5 discount rate of the National Bank of Bulgaria, which was effective on the date of interest accrual for the use of the leased asset, but not higher than the amounts stipulated in the financial leasing agreements.

The main criterion for identifying potential lessees was the absence of overdue payments on the payment of Bulgarian agricultural equipment acquired under financial leasing, as well as on repayment of loans obtained by the state or under state guarantees for the purchase of foreign agricultural machinery. At the same time, priority was given to lessees who purchased equipment for equipping livestock and poultry farms and complexes, milking parlors, elevators, vegetable and fruit storage facilities, the creation of agricultural service cooperatives, the implementation of innovative projects included in the State Grain Projects, which were aggregated with multioperational soil tillage and sowing complexes.

Agricultural machinery was not provided to lessees who were subject to bankruptcy proceedings or to lessees whose arrears were over 6 months before the state (local) budget and the Pension Fund of Bulgaria (Ruscheva, D., 2010, p. 169).

Therefore, the state agricultural enterprises could use the financial leasing mechanism to update the material and technical base in the absence of arrears to the budget and with the availability of a down payment of at least 10 % of the cost of the equipment. In addition, a number of documents had to be provided for the conclusion of the lease agreement, among which the decision of the governing body, i. e. the Ministry of Agriculture and Food of Bulgaria or the ASBN, was obligatory for state agricultural enterprises (Gerganov, G., 2010, p. 214).

The next way to access logistical resources was to combine agricultural producers. At the legislative level, there was a tendency to introduce the development of agricultural service cooperatives, since the current version of the Law of Bulgaria «On Agricultural Cooperatives» of November 20, 2012, is almost entirely devoted to the legal regulation of the activities of agricultural service cooperatives.

An agricultural service cooperative was formed by combining individuals and / or legal entities – producers of agricultural products to organize services aimed at reducing costs and / or increasing the income of members of this cooperative in the conduct of their agricultural activities and to protect their economic interests (Oreshin, B 1999, fol. 71).

According to Art. 5 of the above Law, cooperatives were formed for the purpose of purchasing and providing the means of production, material and technical resources necessary for the production of

agricultural products and products of its processing, production of raw materials, materials and supplying them to members of the cooperative. Agricultural service cooperatives provided services to their agricultural producers without profit, and were not-for-profit organizations.

The founders and members of the agricultural servicing cooperative could be agricultural producers – legal and / or natural persons who made introductory and unit contributions in the amounts determined by the general meeting of the cooperative.

From the above, it can be concluded that in order to supply logistical resources, state agricultural enterprises should be able to unite with other agricultural producers and set up an agricultural service cooperative.

However, the possibility of founding and membership of a state agricultural enterprise in an agricultural servicing cooperative is not envisaged either by the norms of the current legislation of Bulgaria or by the ASBN Statute.

Thus, item 59 of the Statute of the National Academy of Agrarian Sciences of Bulgaria, approved by the resolution of the Council of Ministers of Bulgaria of March 28, 2012, establishes that the Presidium of ACSB gave permission to scientific and other institutions, enterprises and organizations run by the Academy, its affiliates property rights (in particular regarding the use of property, intellectual property objects, etc.) as a contribution to the authorized capital of business entities in the manner prescribed by law. An analysis of this provision of the Charter, leads to the conclusion that, with the consent of the Presidium of the ASBN, a state agricultural enterprise can be the founder and participant of only a corporate agricultural association (Bashev, Kh., 2018, p. 194). Hence, it was supposed that the issue of participation of state agricultural enterprises in the activity of agricultural service cooperatives as their founders and members should be regulated at the legislative level.

Acquiring the membership rights in the agricultural service cooperative, the agricultural commodity producer became able to use the services of such cooperative, thus solving the problems of providing his own production with modern agricultural machinery, introduction of modern technologies of growing crops, providing fuel and lubricants. Along with other actors in the use of agricultural machinery and power equipment, state-owned agricultural enterprises will be able to significantly reduce the amount of depreciation, the cost of mechanization, fuel, repairs and, consequently, the cost of production while ensuring the necessary level of technological discipline of production.

This article describes the regularities of regulation of logistical support of agricultural production in Bulgaria in the context of European integration.

Conclusions. The above suggests that state agricultural enterprises had a limited range of means of improving their logistics. For them, access to credit resources was largely possible through agrarian receipts. Leasing profitable state-owned agricultural enterprises can enter into leasing agreements.

In our opinion, the means of state support for the functioning of state agricultural enterprises could be:

1) granting such enterprises access to long-term credit through the system of state banking institutions;

2) facilitating the conclusion by the state agricultural enterprises of leasing contracts directly with the enterprises of Bulgarian agricultural machinery;

3) facilitating the conclusion of long-term agreements on cooperation of Bulgarian agricultural producers with state agricultural enterprises. These agreements should provide for the creation of landfills for testing new developments of manufacturing plants on the basis of state agricultural enterprises. In this way, the manufacturing plants will be informed about the

suitability of the new equipment for modern tillage, and farmers will have access to the relevant machinery. At the same time, state agricultural enterprises can act as a representative of a factory producing machinery;

4) enshrining in law the right of state agricultural enterprises to be founders and members of agricultural service cooperatives.

It is clear that one of the priority areas of the state agrarian policy in recent years has been the logistical re-equipment of agriculture. However, by analyzing the ways of improving the material and technical base of agricultural producers, which are enshrined in the Bulgarian legislation, we can conclude that they were not acceptable for all rural entities. Basically, they are designed for the logistical support of private-owned agricultural enterprises.

In our opinion, the state agricultural policy of Bulgaria on improving the logistics of state agricultural enterprises should be aimed at guaranteeing access of such enterprises to credit resources, their participation in cooperative associations and stimulating the conclusion of long-term contracts for cooperation with Bulgarian plants producing agricultural machinery.

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