Bulgaria's Economic Development from 1944 to 1958

The restructuring of Bulgarian society during the period of transition from capitalism to socialism (between 9 September 1944 and 1958) gave rise to sweeping changes in the nation's economy. The popular revolutionary forces aimed not only at substituting one social system for another, but also at securing the necessary preconditions for a rapid and dynamic advancement of the national economy which would make possible the alignment of Bulgaria with the economically developed countries. The implementation of this task was linked to the solution of a number of difficult problems. It called for the restoration of the prewar levels of industrial and agricultural production, and the transition to a planned and rapid development of the economy, as well as for the construction of modern industrial capacities, and the institution of a highly productive and profitable agriculture geared along scientific lines and machine cultivation of the land. It was also necessary to modernize and broaden the material and technological base of transport as well as of the other branches of the economy. In order to appreciate the magnitude of these tasks, one has to know more about the starting point of Bulgaria's dynamic economic development following the Second World War and especially since the late 1940s.

Bulgaria then belonged to the group of backward agricultural countries and had no significant heavy industry. It was only light industry that had reached a certain level of development, with the food and textile industry production in 1939 accounting for 71 per cent of the entire industrial output.1 Industry barely generated 18 per cent of the national income. A comparison with countries such as Norway, Sweden, Switzerland, and Belgium—the territories and populations of which are not much different from Bulgaria’s—will show that in 1939 Bulgaria produced 37.3 times less electric power than Norway, 30.7 times less than Sweden, 26.5 times less than Switzerland, and 19.8 times less than Belgium. The proportion in coal production was as follows: 4.1, 12.3, 6.0, and 14.9 times less; of cement: 2.7, 5.3, 2.7, and 11.3 times less, and so forth.2 Such tremendous disparity between Bulgaria and the industrially advanced countries existed in other branches as well.

Bulgarian industry was of small scale and technically backward. In 1945, a

2. According to information supplied by ibid., pp. 553, 554, 566.
medium-large enterprise employed no more than 38 workers. Much of the machinery and equipment was old and worn out, and many production processes were not mechanized. Natural resources had hardly been studied or tapped. Owing to this, a number of industrial branches had no developed raw-material base. Almost all of the machines and spare parts were imported.

Another characteristic of Bulgaria's industry was the uneven distribution of industrial enterprises throughout the country. The overwhelming part of the capacities was concentrated in seven industrial centers (Sofia, Plovdiv, Gabrovo, Sliven, Pernik, Russé, and Varna). The factories there accounted for some 70 per cent of the country's entire industrial output. At the same time, large regions (the Rhodopes, Strandzha, Dobrudja, Ludogorie, and northwestern Bulgaria) had no industry of their own. In 1944, industrial production dropped sharply because of shortages of raw materials and spare parts as well as the heavy destruction caused by Allied air raids over Sofia, the country's main industrial and transport center.

Though a basic branch of the economy employing nearly 80 per cent of the labor force, agriculture had a primitive material and technical base. The main implement in use was the wooden plow, with the iron plowshare becoming available only just before the Second World War. Manual labor prevailed in farming.

Rural economy was small scale and parcelled up, condemning the greater part of the peasant population to poverty. According to the 1946 census, the country had 1,094,904 individual farms owning some 4,436,000 hectares of arable land which was parcelled up into 12,204,949 lots. Thus, an individual farm owned an average of 4 hectares and 11 lots. This extreme parceling of the land precluded the possibility of mechanized land cultivation, while the insufficient size of the arable land owned by an individual farm and the permanently low and unstable yields from crops that depended exclusively on weather conditions secured but scanty incomes for the peasants. The low productivity and low profitability of the rural economy were among the main reasons for the country's poverty, the short supply of raw materials for industry, the circumscribed export possibilities, and the inadequate volume of the national income, among other things.

The country's transport, which had an insufficient material and technical base and was badly disrupted by the war, could hardly provide the necessary resources...