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COOPERATIVE THOUGHT IN BULGARIA IN THE FIRST HALF OF THE 20th CENTURY. THE PLACE AND ROLE OF M.I. TUGAN-BARANOVSKY

Cooperative ideas and institutions started their rapid development and dissemination in the Balkans, and in particular in Bulgaria in the early 20th century. They evolved as a result of favourable political, economic, and cultural conditions and specificities, as well as the transfer of ideas and practices from Western Europe and the Russian Empire. Cooperatives played an important role in the socio-economic advance, and cooperative ideas became an integral part of the Bulgarian and Balkan economic thought.

Today, more than three decades after the fall of communism (1989), the cooperative sector continues to be underdeveloped and has a minor role in the Bulgarian economy. This could be explained primarily by the communist legacy, as well as the lack of sufficient knowledge and contemporary research on the history, ideas and principles of cooperatives and the cooperative movement. At the same time, there has been a growing interest in the cooperatives in many countries in Europe and worldwide. Cooperatives have been regarded as an alternative to the state and the market mechanisms in the economy. Meanwhile, the Bulgarian cooperative tradition and literature remain unknown in Europe. In this regard, this paper aims to reveal to the Ukrainian audience the major cooperative ideas in the country during the first half of the 20th century and to discuss the influence of one of the greatest cooperative theorists – Mykhailo Tugan-Baranovsky on the Bulgarian scholars of that time. I also make a brief bibliographical review of Tugan-Baranovsky's works

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translated into Bulgarian. In the first part of the paper, I focus on the emergence and evolution of the cooperative ideas in Bulgaria in the first half of the 20th century. The second part is dedicated to the place and role of Tugan-Baranovsky in the development of the Bulgarian cooperative thought and literature.

Keywords: cooperatives, cooperative ideas, M.I. Tugan-Baranovsky, Bulgaria, Western Europe, Russian Empire.

Марінова Ц.

КООПЕРАТИВНА ДУМКА БОЛГАРІЇ У ПЕРШІЙ ПОЛОВИНІ ХХ ст. МІСЦЕ І РОЛЬ М.І. ТУГАН-БАРАНОВСЬКОГО

Кооперативні ідеї та установи розпочали свій бурхливий розвиток та розповсюдження на Балканах, зокрема в Болгарії, на початку ХХ ст. Вони розвивалися в результаті сприятливих політичних, економічних і культурних умов та особливостей, так само як і в результаті передачі ідей та практик із Західної Європи та Російської імперії. Кооперативи відігравали важливу роль у соціально-економічному поступі, а кооперативні ідеї стали невід'ємною частиною болгарської та балканської економічної думки.

Нині, через три десятиліття після падіння комунізму (1989 р.), кооперативний сектор продовжує бути слаборозвинутим і відіграє незначну роль в економіці Болгарії. Це можна пояснити, насамперед, комуністичною спадщиною, а також відсутністю достатніх знань та сучасних досліджень історії, ідей та принципів кооперативів і кооперативного руху. Водночас, інтерес до кооперативів зростає у багатьох країнах Європи та в усьому світі. Кооперативи розглядаються як альтернатива державному та ринковому механізмам в економіці. Тим часом болгарська кооперативна традиція та література залишаються невідомими в Європі. У зв'язку з цим, мета цієї статті полягає у представленні українській аудиторії основних кооперативних ідей у Болгарії впродовж першої половини ХХ ст. та розкритті впливу одного з найвизначніших теоретиків кооперації – Михайла Івановича Туган-Барановського на болгарських науковців того часу. Я також роблю короткий бібліографічний огляд творів Туган-Барановського, які перекладе-

ні болгарською мовою. У першій частині статті я зосереджуюсь на виникненні та еволюції кооперативних ідей у Болгарії в першій половині ХХ ст. Друга частина статті присвячена місцю та ролі М.І. Туган-Барановського у розвитку болгарської кооперативної думки та літератури.

Ключові слова: кооперативи, кооперативні ідеї, М.І. Туган-Барановський, Болгарія, Західна Європа, Російська імперія.

From the beginning of the 20th century until Second World War (WWII), cooperative ideas and forms in Bulgaria proliferated due to favourable local conditions and the transfer of ideas and institutions from the developed European countries (Germany, Italy, France and Russian Empire). The major works of the most prominent theorists and practitioners of cooperatives were translated into Bulgarian and attentively studied by the leading economists and statesmen in the country. They emerged and evolved in the framework of the establishment of capitalist relations in the country and later on, after WWII, the cooperative movement and ideas developed under the conditions of state socialism and planned economy.

Today, more than three decades after the fall of communism (1989), the cooperative sector remains underdeveloped not only in Bulgaria but in the other Balkan countries as well. At the same time, we have seen a growing interest in cooperatives in Europe and worldwide. Cooperatives have been regarded as an alternative to the state and the market mechanisms in the economy.

In Bulgaria we have observed a feeble interest in cooperatives and cooperative thought. We argue that there is a growing need for studies and knowledge of the great European theorists and practitioners and on their influence on the cooperative ideas in the country during the 20th century. Nikolay Nenovsky is among the few contemporary Bulgarian economists who studied Mykhailo Tugan-Baranovsky. N. Nenovsky also briefly presented the cooperative theory of the great Ukrainian economist [38, p. 53–77]. More recently, the cooperative works of the most prominent Russian and Ukrainian economists were discussed by Ts. Marinova and N. Nenovsky [36, p. 29–51; 37, p. 82–96]. In this regard the paper aims to reveal the major cooperative ideas in Bulgaria during the first half of the 20th century, as well as the influence of M. Tugan-Baranovsky on the Bulgarian scholars of that time. I also make a brief bibliographical re-

view of Tugan-Baranovsky's works translated and published in Bulgaria.

Emergence and evolution of cooperative ideas in Bulgaria in the first half of the 20th century

In Bulgaria, the first collective and cooperative organizations of economic life appeared in the framework of natural and non-market economy in the Ottoman Empire (14th–19th centuries)¹. The oldest known form of mutual labour in agriculture was *zadruga*. It was an informal institution, a form of cooperative within a barter economy, based on family customs and values. Unlike the cooperatives equality in income redistribution and consumption were typical in *zadruga*. Voluntary membership was missing in *zadruga*. It appeared spontaneously and spread widely among the Southern Slavs and in the other Balkan territories of the Ottoman Empire [33, 34, 39]. *Zadruga* was similar to the existing rural communities in Russian Empire («мир» or «община») and Ukraine («сільська громада»).

The first works of Bulgarian economists, intellectuals, and statesmen on cooperatives appeared prior to First World War (WWI). These ideas emerged as a result of the growing needs of organizing agricultural credit in the country in the absence of banking and financial institutions, widespread usury and high impoverishment among peasants. *Angel Daskalov (1854–1936)* was among the first cooperative theorists and practitioners. He highlighted the role of the state in the dominant agricultural sector and in the economy as a whole. He considered the establishment of state institutions of cooperative credit as an important prerequisite for the development of local agricultural cooperatives by extending inexpensive and easily accessible loans and he addressed a number of criticisms and recommendations to the government as regards their more efficient functioning [1].

¹ Bulgarian state was established in the seventh century in the heart of the Balkan Peninsula. The Bulgarian territories remained part of the Ottoman Empire from 1396 to 1878, when at the termination of the Russo-Turkish war Bulgaria once more emerged as a national state. In 1885 Bulgaria effected the fusion between the autonomous principality and Eastern Rumelia, which were separated by the Treaty of Berlin. In 1908 Bulgaria declared herself a fully independent state.

We should also consider the transfer of ideas from Western Europe, which strongly influenced the birth and evolution of cooperative ideas in Bulgaria. The first translations of some of the greatest cooperative theorists appeared just before the outbreak of the Balkan Wars (1912/13) and WWI. It is noteworthy to mention the works of the scholars of the school of cooperativism and solidarity (Nîmes school) and among them Charles Gide's first translations in 1906 and 1910.

During the Interwar period the development of cooperative ideas in Bulgaria was carried out against the background of the establishment of capitalist relations in the national economy and the impact of different ideologies: liberalism, agrarianism, dirigisme, cooperative socialism. Undoubtedly, agrarianism played a crucial role for the development of cooperative movement and ideas in Bulgaria and the Balkans in the beginning of the 20th century. Rural agrarianism in Eastern Europe and in the Balkans in particular (Bulgaria, Romania, Serbia) was mostly influenced by the Russian «narodnichestvo» and Western agrarianism as well.

The development of the Bulgarian rural agrarianism started after the Liberation. The Bulgarian Agrarian National Union (BANU) was established in 1899 and in 1901 it became a political party. The agrarian movement emerged as a protest against burdensome taxes, usury, peasant exploitation, the backwardness of the village.

Alexander Stamboliiski's (1879–1923) theory of professional organizations was at the core of the agrarian ideology. In 1909 he published the book «Political Parties or Professional Organisations» in which he clearly set forth his views that the existing political system should be replaced by new political and socioeconomic groups called professional organizations that could best protect the economic interests of all the people. A. Stamboliiski considered the existence of six classes in the Bulgarian society, which represented the main professions in the country: agricultural, craft, working, industrial, commercial and bureaucratic. Each class brought together people of the same profession with common economic interests. He defined the agricultural class «as the most important, most productive, useful and necessary, the largest and the most vital element in human society». According to A. Stamboliiski, the new political and economic order would be the result of a class struggle in which material needs and economic interests were the goals of the struggle, and political

gains were a powerful tool without which it was impossible to think about the struggle [22].

Cooperatives were at the core of the agrarian ideology developed by Alexander Stamboliiski and his close friend Rayko Daskalov. Stamboliiski was at the head of the agrarian movement and a Prime Minister in 1919–1923 period. Cooperativism was considered a panacea for all the problems of the backward agriculture and was advocated as a means of eliminating merchant capitalism from agriculture. According to the agrarians cooperatives combined private and public interest and became a school of democracy, solidarity and humanity. Cooperativism was also associated with etatism in which the state had the leading role in the economy and in agriculture.

Cooperativism was considered to be the «third path» between liberalism and socialism. The cooperative doctrine was based on agricultural credit cooperatives of small-scale producers, which prevailed in rural conditions and had a definite social (class) dimension. Uniting all Bulgarian peasants into a national cooperative network became the main purpose of Stamboliiski's regime [2, p. 293–366].

During the Interwar period cooperatives were also an important element of the views and ideas developed by some of the leading economists and statesmen such as *Alexander Tsankov (1879–1959)*² and *Dimitar Mishaykov (1883–1945)*³, etc. They were among the most prominent representatives of the dirigisme (the theory of regulated or administered economy) in Bulgaria. Cooperatives had no leading role in the dirigiste economy but they were considered as necessary economic entities, which contributed to boosting the social wellbeing. In Tsankov's view the state should be the driving force in the economy. It should have the right to control and govern capital, to protect workers and promote the industry. The private initiative and

² Alexandar Tsankov was Professor at Sofia University, Prime Minister of Bulgaria in the 1923-1926 period, and later Chairman of the National Assembly and leader of the National Social Movement. He was a chairman of the Union of Popular Banks and the Bulgarian Civil Servants Cooperative Insurance Society.

³ Dimitar Mishaykov was an economist, statistician, professor, academician. He was a chairman of the Union of Popular Banks (1926–1944) and of the Supreme Council of Statistics (1928–1944). He was the rector of the Higher Cooperative School in the 1924–1933 period. Mishaykov was also the author of numerous papers and studies about cooperatives, their role in the economy and the state – cooperatives relationship, published in the Journal of Popular Banks and the Journal of the Bulgarian Economic Society.

the private property were supposed to be a «lightened» principle of the new socialist society.

D. Mishaykov called the new economic system «integralistic» and placed cooperatives in its centre: «Of all currently existing economic forms the cooperative is the most faithful exponent of the integralistic economic system. The importance of the cooperatives nature pertains to the ideal combination of the principles of individualism and collectivism based on social consciousness, individual initiative and mutual concessions. Therefore, by contributing to the economic advance of small and medium-sized economic entities the cooperative also contributes to reducing economic inequality and to alleviating social conflicts. The cooperative is also a school of social education whose main task is: to cultivate respect and grant it due to those who excel us as regards abilities and social value and to cultivate respect and human dignity towards those, who are inferior to us as regards abilities and social value [17, p. 314–327].

It is also noteworthy to mention here that cooperatives were also an integral part of the ideas of the liberal economists and statesman like *Andrey Lyapchev (1866–1945)*⁴, who was a Prime Minister during 1926–1931. He considered the cooperative to be both a means for eliminating the disadvantages of capitalist society and for solving peacefully social issues without the forcible removal of the existing socioeconomic system. According to Lyapchev the cooperative was a form of enterprise aimed to guaranteeing greater social justice in the capitalist economic system. He also believed that the cooperative would contribute to the development of self-help and mutual assistance in the country.

Undoubtedly, the greatest Bulgarian theorists and practitioners of cooperatives were *Iliya Palazov (1888–1964)* and *Hristo Ganev (1874–1957)*. Ganev was the founder of the National Committee of the Bulgarian cooperatives (1925) which united all the big cooperatives and unions in the country. Ganev dedicated its work to the internationalization of the Bulgarian cooperative movement. He was a member of the International Cooperative Union and took an active part in its activities. He was also elected member of the Executive

⁴ Andrey Laypchev was among the founders of the Bulgarian Central Cooperative Bank (1910) and the Higher Cooperative School as well. He took part in the leadership of the General Union of Agricultural Cooperatives and was elected chairman of the Supreme Cooperative Council in 1927. He was also chairman of the Union of Popular Banks in the 1923–1926 period.

Bureau of the International Union of Cooperative Insurance Organizations in his capacity of a chairman of the Bulgarian Civil Servants' Cooperative Insurance Society.

H. Ganev adhered to the ideas of Charles Gide, Bernard Lavergne and Edgar Milhaud and other representatives of cooperative socialism. He associated the cooperative with social progress and social transformation: «Our life corroborates the triumph of the cooperative principle. The cooperative does not have the means and power of the organized state so that we may think that when we wish to approach it and call for its willpower and efforts it will provide for us direct, fast, tangible results in the economic competition. But it has inexhaustible reserves of moral power which when put in motion with faith and enthusiasm may render meaning to the movement for economic advancement and get it out of the hopeless path of anarchy and perturbations. For the cooperative is a movement of the masses. It has the ambition to represent the public interest in its entirety, to speak on its behalf, to act on its behalf» [4, p. 329–330].

H. Ganev considered the cooperative as a necessary and efficient tool, which could get the country out of the Great Depression since it protected the interests of all the people. Cooperatives were also a powerful instrument in the fight against cartels and monopolies: «To be loyal to the cooperative, that is to buy only from it (consumer cooperative) and request credit only from it (credit cooperative), and deposit our savings only in it. In this way we contribute to the treasury of the cooperative and bring forth its vital force and ability – to paralyse and resist against the competition of the private seller, producer or creditor, so as to make it impossible for the farmer always to strive for the price rise in order to get higher profit so as to prevent today's anarchy in production and trade and the related speculation and exploitation and plundering of the consumer. We must collaborate for the setting up and development of cooperative production. All goods for mass consumption must be produced by cooperatives. Only cooperative production is the antipode of cartel production» [5, p. 16–17]. H. Ganev was in favour of creating a cooperative society in which crises would be unthinkable and the mankind would be spared much suffering.

Iliya Palazov defended his doctoral thesis in Germany in 1911 and returned to Bulgaria. He founded several craftsmen's cooperatives in different towns in the country. In 1913 he was appointed chief secretary of the Union of Popular Banks and later on its director. In

this capacity he welcomed in Bulgaria the then leader and the chief secretary of the International Cooperative Union (Henry May and Ernest Poisson). He also engaged in the vigorous international activity of the Union of Popular Banks.

I. Palazov taught courses on cooperative theory and practice at the Higher Cooperative School⁵ and at the State Higher School of Finance and Administrative Sciences in Sofia. He was the founder and editor of numerous publications and journals on cooperatives. In his views Palazov was more close to the liberals than to the cooperative socialists. He considered the capitalist form of organization as the best one. Cooperatives were regarded as an integral part of the capitalist system and their purpose was to suppress its social contradictions. According to him the cooperatives could not develop and be efficient under Bolshevism and state socialism because the state interference in their functioning and governance destroyed their fundamental principles and turned them into bad bureaucratic organisations. To this effect Palazov acknowledged that under state socialism the state restricted the autonomy of cooperatives and devoid them of their democratic nature. He argued that the cooperative was a novelty in the economic life and, as an enterprise, it had to lead to the progress in every way if it was to be of use to the masses and, therefore, to ensure its success [20].

In 1935 I. Palazov published his book «Theory and Practice of the Cooperative». It was the most comprehensive study on the theory and history of cooperatives, the birth and evolution of the cooperative movement in Western Europe, Russia and Bulgaria. He studied in-depth and discussed the major views of the most renowned economists from the liberal school, Nîmes school, Hamburg school, Bolsheviks in the context of the leading ideologies (state socialism, cooperative socialism, liberalism). Palazov got familiarized with the ideas of Robert Owen, Hermann Schulze-Delitsch, Friedrich Raiffeisen, Charles Gide, Luigi Luzzatti, Willi Wygodzinski, Vahan Totomianz, Mykhailo Tugan-Baranovsky, Nikolay Meshcheryakov, etc which brought him closer to the understanding of the nature and role of cooperatives in the economy [20].

I. Palazov defined the cooperative as an economic system having a democratic objective of free membership and encouragement of every cooperative member. Cooperative work resulted from the

⁵ The Higher Cooperative School was established in 1923 in Sofia and stopped its activity in 1933.

free will of man and whoever wished to move him away from that would make a heavy blow on him. He considered that the cooperative was an organization of the weak for economic self-defence and self-preservation. Everyone could become a cooperative member because he himself was convinced that the cooperative provided opportunities to protect his interest in the best possible way [20, p. 103–116]. In his works Palazov focused mostly on the emergence and evolution of agricultural credit cooperatives and popular banks and their role in the socioeconomic development of Bulgaria from the beginning of the 20th century to WWII. Moreover, he considered them as the most important type of cooperatives in the country and their development was of primary concern to him [18, 19].

The Interwar period was also characterized by the rapid dissemination of cooperative literature from Western Europe and Russian Empire. The major cooperative works of Charles Gide [7, 8, 8, 9, 11, 12, 13], Vahan Totomianz [23, 25, 26, 27], Ernest Poisson [21], Bernard Lavergne, Mykhailo Tugan-Baranovsky [28, 29, 29, 30], etc. were translated into Bulgarian.

Tugan-Baranovsky's works translated into Bulgarian and their influence on the Bulgarian scholars

Russian and Ukrainian cooperative ideas became extremely popular among the leading Bulgarian economists and politicians. In particular, the studies of *Tugan-Baranovsky (1865–1919)* and *Totomianz (1865–1964)* gained a large audience in the country. V. Totomianz (Armenian origin) lived in Sofia, where he wrote some of his books and taught courses in cooperative history and theory at the Higher Cooperative School and the State Higher School of Finance and Administrative Sciences. Furthermore, he was a close friend of I. Palazov. They developed courses together at the Higher Cooperative School.

The book of *Margarita Dimchevska (1892–1983)* «Bulgarian Cooperative Literature», published in 1931, was one of the few bibliographical reviews of all the existing cooperative studies in Bulgaria from the beginning of the 20th century till 1930 [3]. The book of Dimchevska included also a full list of the translations of foreign scholars. M. Tugan-Baranovsky was the first economist translated into Bulgarian. In 1902 «The Great Utopians. Robert Owen, Saint Simon and the Saint Simoniens, Charles Fourier» appeared in Bulgarian. This

book included three articles written by M. Tugan-Baranovsky, entitled «Очерки изъ историята на политическата економия», published in St. Petersburg's journal «Мир Божий» («Миръ Божій»), in 1901 [28]. Later on, the first translations of Gide and Totomianz were published. It is noteworthy that they appeared in the context of the growing number of cooperatives (mostly financial cooperatives) and development of the cooperative movement in the country. Furthermore, the state set up two cooperative banks – the Bulgarian Agricultural Bank (BAB)⁶ and the Bulgarian Central Cooperative Bank (BCBB)⁷, which promoted and provided cooperative credit. Moreover, the first Cooperative law was adopted in 1907, which reflected some of the best legislative practices in Europe at that time (the German and Hungarian cooperative laws) [35, p. 131–146].

The Bulgarian economists were mostly influenced by the book of M. Tugan-Baranovsky «Social Foundations of Cooperatives». Six years after its first edition in Russian (1916), it was translated and published in Bulgarian (1922) on the initiative of Stoyan Poplukov (1879–1933), one of the strongest proponents of cooperativism in the country at that time. He was the director of the BAB⁶ [29]. The book of Tugan-Baranovsky gained a great popularity and that was one of the main reasons to be republished shortly thereafter. The new edition «Political Neutrality in the Cooperative» appeared in 1925. It included only the last part of the «Social Foundations of Cooperatives» namely «The Class nature and political position of the cooperative» [30]. Later on, in 1928, a collection of works by Tugan-Baranovsky and Totomianz, entitled «The Apostles of the Cooperative. Robert Owen - H. Schulze-Delitsch - F. Raiffeisen» appeared [31].

We refer here only to the major contributions of Tugan-Baranovsky in «Social Foundations of Cooperatives» which were later discussed by some of the leading Bulgarian economists from the beginning of the 20th century to WWII. Tugan-Baranovsky studied the theoretical foundations and history of cooperatives in Western Europe and Russian Empire. He considered the emergence and devel-

⁶ The Bulgarian Agricultural Bank was established in 1903 to extend cheap and accessible loans to the peasants and the agricultural credit cooperatives in the country.

⁷ The Bulgarian Central Cooperative Bank was founded in 1910 to extend credit to all types of cooperatives except for the agricultural ones.

⁸ S. Poplukov was also the editor of one of the most important cooperative journals «The Bulgarian cooperative» at the beginning of the 20th century.

opment of cooperatives in the capitalist system as a means for the transformation of the existing socioeconomic order. Nevertheless, he argued that the cooperative could not resolve the social issue. Under capitalism the cooperative was an economic enterprise run by the economic interest, but unlike the capitalist enterprises, it did not pursue profit.

M. Tugan-Baranovsky defined the cooperative as «a business enterprise of several volunteers, which aims not to receive the biggest profit for the invested capital, but an increase of the labour income of its members or the reduction of their expenses for consumer needs as a result of the collective management of the economy [29, p. 93]. In Tugan-Baranovsky's view, the cooperative enterprise was neither a charity, a propaganda company, a political organization, or a workers' union. The cooperative protected the interests of the economically weaker social groups and represented their unification into one economic entity. He considered the freedom of association and self-help as its fundamental principles.

M. Tugan-Baranovsky considered cooperatives as class organizations and divided the cooperative movement into three branches: proletarian, agricultural and petit bourgeois. He elaborated an original classification of cooperatives based on labour and distinguished two large groups of cooperatives: cooperatives in the field of exchange but not in the field of labour; cooperatives in the field of labour and exchange. The first group encompassed: credit cooperatives, housing associations, consumer associations, sales associations, processing associations, purchasing associations. He argued that the most complex tasks were pursued by the cooperatives in the field of labour and exchange. These were: production-support associations; worker associations; production associations. The last one were the most advanced form of cooperatives, since they were also purchasing cooperatives, worker cooperatives in production and sales cooperatives. M. Tugan-Baranovsky believed that only production associations and artels could achieve the cooperative's goals.

Tugan-Baranovsky's cooperative theory was in-depth studied by I. Palazov. In his book «Cooperative Theory and Practice», he considered the Ukrainian economist as one of the forerunners of the cooperatives and cooperative economy. Palazov shared Tugan-Baranovsky's views on the socioeconomic nature and role of cooperatives in the capitalist system. Palazov also supported the idea of the class nature of cooperatives and admitted that restricting cooper-

ative only to the small and poor people or proletariat, in the age of capitalism, was wrong. He adhered to Tugan-Baranovsky's claim that unlike the capitalist enterprises, cooperatives did not exploit the workers in order to gain profit. In the consumer cooperatives workers were «exploited» to achieve a consumer objective. As far as the profit was concerned, I. Palazov argued that in the cooperative the consumer did not aim to gaining profit rather it tried to organize better its provisions. Palazov cited Tugan-Baranovsky: «Should we talk about profit as in the capitalist enterprises?» (20, p. 110). Furthermore, he was in favour of the political neutrality and autonomy of cooperatives. Although I. Palazov acknowledged the originality of Tugan-Baranovsky's classification of cooperatives, he detached himself and elaborated its own one which was much closer to the national peculiarities and conditions.

I. Palazov discussed Tugan-Baranovsky's classification: «For us, the classification of Tugan-Baranovsky is very complex and may not be useful in cooperative science and practice. As a detailed breakdown table, it can enable us to classify cooperatives in a more detailed and accurate way. Finally, the classification basis that is adopted may be right, but Tugan-Baranovsky classification will remain a theoretical construction that will not be widely used. This is evident from the use of this classification in his great work *The Social Foundations of Cooperative*. He makes this classification to cooperatives but at the same time he divides cooperatives into three main branches: proletarian, agricultural, and petty bourgeois» [20, p. 161]. Palazov's classification of cooperatives was much more influenced by Wygodzinski than by Tugan-Baranovsky. Palazov divided them into: credit cooperatives; consumer cooperatives; producer cooperatives; higher forms of cooperatives. The first group included: consumer cooperatives; housing cooperatives and insurance cooperatives. The second group encompassed: cooperatives for general supplies of farmers, craftsmen and traders; cooperatives for general sales – common stores and warehouses for the sale of products to farmers and artisans; production cooperatives; cooperatives for partial production; cooperatives of farmers, craftsmen and workers for full production. Among the higher forms of cooperatives I. Palazov distinguished: cooperative federations; cooperative unions and the International Cooperative Union.

Tugan-Baranovsky's book and theory were also presented in the textbooks on cooperative theory and history in the courses taught

at the Higher Cooperative School in Sofia and in the biggest universities in the country (in Sofia, Varna, etc.). It is noteworthy that during the Interwar period the universities established separate departments on cooperative work, which became important centres of discussions in this field. I can mention the textbooks of Nikola Kanev [14] and Marko Valkanov [32], which appeared in 1940s. In fact, the beginning of the socialist period in Bulgaria was characterized by an increased interest in cooperative ideas in particular those developed by the Bolsheviks in the Soviet Union. Kanev and Valkanov were ardent proponents of the ideas of state socialism and the important role cooperatives should play during the transition from capitalism to socialism. Nevertheless, they were both familiar with the ideas of the leading representatives of cooperative socialism like Gide, Tugan-Baranovsky, Totomianz, etc. M. Valkanov argued that their definitions of cooperative were rather ineffectual and suffered one-sidedness because cooperatives were closely related to the socioeconomic system in which they developed and were dependent on the political power.

M. Valkanov advocated the ideas of the Soviet communist ideology on the place and role of cooperatives in the economy: «Cooperatives coordinate their activities with the public interest and participate in the establishment of socialism by developing collective forms of economic activity. Cooperatives are becoming an important public sector and the most essential aide of the state sector, which is a higher economic form. Under the conditions of a proletarian dictatorship, the cooperative is given the opportunity to influence the small commodity economy in the sense of its transformation into collective one and in exchange for the individual ownership of the means of production with all-people's property» [32, 1943, p. 30].

During the socialist period the cooperative thought in Bulgaria developed under the influence of the ideas of the Soviet communist ideology. The leading Bulgarian Marxists (Dimitar Blagoev, Vasil Kolarov, Georgi Dimitrov, Hristo Kabakchiev, Georgi Bakalov, etc) elaborated their cooperative ideas on Vladimir Lenin's views and cooperative plan. In this regard, as it is known to me, the Bulgarian Marxists did not discuss the cooperative theory of Tugan-Baranovsky and the other leading representatives of cooperative socialism. *Stoyan Syulemezov (1910–1980)*, a prominent Marxist and Chairman of the Central Cooperative Union, considered the crucial role of the Communist party in the emergence and evolution of the Bulgarian coop-

eratives. S. Syulemezov claimed that the cooperative movement was a major driving force in the transition to the socialist economy: «The cooperative movement played an active role in the struggle for strengthening the people's democratic power, for the development of the productive forces and the establishment of socialist relations of production. In the conditions of victorious socialism, cooperatives acquired a new importance. Their new appearance was manifested in solving the important problems of the rapid industrialization of the country, the restructuring of agriculture on a socialist basis, driving the private merchant capital out of the zone of circulation and organizing socialist trade and inclusion of the craftsmen's production in the socialist sector» [23, p. 56].

I refer also to the cooperative view of the communist leader *Georgi Dimitrov (1882–1949)*⁹: «The cooperative is a powerful tool for political and economic education of the people and for the transition to higher forms of cooperation. It is an organization of the broad people's masses. It should play an important role in the building of the national economy. The cooperative has to take part in all important spheres of the economic, every day and social life: production, supply, housing, crediting, improving the living conditions of the population» [23, p. 57].

During the 1930s a strong ideological leftist trend developed in the Bulgarian agrarianism which was in favour of the establishment of a cooperative society (cooperative state) as a new social and economic system that was considered to be an alternative to capitalism and communism. The agrarians were closer to the Marxists' views on cooperatives than to the representatives of the cooperative socialism. Their ideas were set forth by Mikhail Genovsky (1903–1996) and a group of left agrarian ideologists (Nedyalko Atanasov, Kunyo Kozhuharov, Koicho Alexandrov) [6; 15; 16]. They argued that credit, insurance and production and worker cooperatives were at the base of the cooperative pyramid stood. The agrarians foresaw the development of cooperativism in two directions: first, non-market cooperativism without commodity-market relations, fixed prices and no profits; second, a market-oriented cooperativism that envisaged competition between cooperatives and free private initiative and preserved

⁹ Georgi Dimitrov was a politician, leader of the Bulgarian Communist Party (BCP) and Chairman of the Comintern (1935–1943). He was the Prime Minister of Bulgaria during 1946–1949.

the incentives of profit in a free market economy though without capitalist monopolies [2].

Conclusions. In this paper I outlined the main views and ideas of the leading Bulgarian theorists and practitioners of cooperatives from the Liberation to WWII. Despite the national political, economic, social and cultural peculiarities the cooperative thought depended on the predominant ideologies and on the transfer of theories and ideas from Western Europe and Russia as well. The Bulgarian economists scrupulously studied the ideas of the leading European scholars and conveyed them and distributed in the country. Furthermore, the major works of the most prominent cooperative theorists were translated into Bulgarian and contributed to the enrichment of cooperative ideas and literature.

Undoubtedly, the cooperative theory of M. Tugan-Baranovsky gained great popularity among the Bulgarian economists. Moreover, his works were cited and discussed in the publications of the most prominent Bulgarian theorists and practitioners of cooperatives. They were also presented in the textbooks and in the courses in the major high schools in the country. As I have already explained, Tugan-Baranovsky's ideas were not mechanically adopted by the Bulgarian scholars and the leading Bulgarian scholars tried to make their own contribution (like I. Palazov on the classification of cooperatives) and other (Marxists and left agrarians) were either quite critical or rather did not discuss his theoretical contributions (they adhered to Lenin's ideas)

Nowadays, the cooperative ideas have seldom been in the focus of Bulgarian researchers and courses in cooperative theory and history have been removed from the curricula of the Bulgarian universities. I argue that today we need to study cooperative ideas and history in order to reconsider the role cooperatives could play in solving some of the major socioeconomic issues.

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