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The use of discourse on multifunctional agriculture in Bulgaria and Czech Republic: the case of the agricultural lobby

Iglika Yakova

Introduction

This chapter addresses the question of the use of discourse on ‘multifunctional agriculture’ in two new EU member states in the field of the European Common Agricultural and Rural Development Policy. Studying a particular policy area such as agriculture, where the vertical and horizontal dimensions of Europeanisation can be identified, provides a useful context for the analysis of the effects of Europeanisation on social actors. This analysis will be carried out through case studies of agricultural social actors, primarily the professional lobby in two new EU member states –the Czech Republic and Bulgaria. The goal is to explore the extent to which these social actors are successful in representing and defending a set of collective interests both at the EU and national level.

One of the specificities of the post-communist period of the countries which are studied is the differentiation of social and political actors. This period witnessed not only the development of civil society organisations but also the transformation of former soviet-type organisations participating in the new democratic regimes. Thus, the analysis of discourse on multifunctionality (used by EU institutions and the national actors themselves) and its impact could highlight the effects of Europeanisation on social actors in the agricultural sector, assessing first, the extent to which resources, objectives and repertoires of action are redefined in relation to the European space, and second, how the European space affects the European socialisation of actors. I will first discuss the notion of

multifunctional agriculture and how it has been transferred by the European institutions during the process of negotiations for accession to the EU.

Multifunctionality (MF) relates to the notion of sustainability of agriculture¹. MF refers to a type of agricultural production which produces simultaneously several interrelated market and non-market outcomes (OECD 2001). Multifunctionality is also related to human activity and the way in which it is implemented. With regard to agriculture and rural spaces it has become a fashionable concept and has been increasingly used as a new strategy in public policies, including at the EU level. Therefore, MF has been used as synonymous to EU agriculture, in particular during the accession process. Thus, emphasis has been placed on its transfer to agriculture in accession countries and to use of policy instruments for the implementation of MF.

However, in new EU member states from post-communist countries in particular, the discourse on MF is very 'area' specific. On the one hand, it is related to the sustainability of agriculture and rural areas in the post-communist domestic context and how the notion is understood by post-communist actors. On the other, practitioners and politicians have rarely used the concept of MF but have instead put forward related concepts, such as alternative economic activities, agricultural diversification, or non-agricultural production, mainly in terms of income diversification of farms and rural areas.

This chapter starts from the assumption that multifunctional agriculture has been implemented

¹ Sustainable development is a wider concept. Since the UN Conference on Environment and Development in 1992, it has been raised to a specific approach dealing with future challenges. This also implies relevancy to the future shaping of rural areas.

through the coercive influence of the EU during lengthy negotiations for accession to the Union. Nowadays, ideas of multifunctionality of agriculture and rural areas are well incorporated into the relevant government documents. Therefore, while some consider it as a symbol of what modern European agriculture should be in Central and Eastern Europe, others see it as just another centralised and aid-driven approach.

The analysis of the use of the discourse (Radaelli and Schmidt, 2002) on European multifunctional agriculture reveals, on the one hand, the influence of the EU on agricultural policies in new MS, and on the other hand the shaping of competing identity paradigms within the farming profession (Turner and Tajfel, 1985, Tajfel, 1982). In addition, discourse may have two contrasting functions with regard to policy change. The first is an accelerating function, with discourse as the catalyst in promoting change and getting farmers and society accustomed to and/or involved in the idea of an agricultural reform. The second function is a braking function, with discourse (even pro-reform discourse) used to hide policy inertia or dissimulate reluctance to change (Fouilleux, 2003).

The empirical research for this paper is drawn from observations of several agricultural associations from the Czech Republic and Bulgaria and their interactions with governmental agencies and EU actors. The results show that different actors use the MF discourse as a strategy to mobilise resources and improve access. First, I unveil vertical Europeanisation through different domestic perceptions of MF. They are conveyed by a common model of the EU – on multifunctional agriculture, and are imposed through the EU financial mechanisms. Second, I assess a horizontal dimension of Europeanisation through a similar usage of Multifunctionality by professional interest groups in these Central and Eastern European Countries acceding to the European Union (EU) – in terms of stronger degree of transfer of models during the

pre-accession period. This is illustrated through their increased interest in EU financial incentives and adaptation of their discourse to EU expectations.

This analysis shows that domestic conditions matter; they are important in shaping Europeanisation. The focus of this paper is on how they matter and what role social actors play in this process. The domestic context has the capacity to transform external ideas into specific domestic beliefs, identities and interests. Section I. explains how MF has been transferred to CEECs. Section II details the Czech and the Bulgarian examples. Section III offers a general conclusion and policy implications.

One EU model transferred to different contexts in CEECs

This section argues that a multifunctional model of EU agriculture has been exported to the EU candidate countries during the negotiations for accession to the EU. However, although common trends can be observed, the way in which the concept is used varies according to government priorities, farm units and professional interests in the new EU member states. Examples from the Czech and Bulgarian cases will serve to demonstrate this phenomenon. I will first discuss what is understood by a common European model of agriculture, and will then reveal how despite the different contexts, a common outcome of dual agriculture can be observed. In broad terms, the shared communist past of both countries may serve to explain this similarity.

European model of agriculture

The European Commission's discourse on the Common Agricultural Policy (CAP) mainly focuses on the multifunctionality of agriculture as the basis of the so-called European model of agriculture (Magné and Ortalo-Mahe, 2001). Multifunctional agriculture is often accepted and included in government documents, even if its

definitions vary and if alternative concepts are actively used. According to the OECD, “The key elements of multifunctionality are:

- the existence of multiple commodity and non-commodity outputs that are jointly produced by agriculture ;
- the fact that some of the non-commodity outputs exhibit the characteristics of externalities or function poorly.” (OECD 2001).

Because it is part of the European model of agriculture, MF has been transferred to EU candidate countries through financial instruments (structural funds, pre-accession funding: SAPARD, PHARE²) and coercion tools (*acquis communautaire*³).

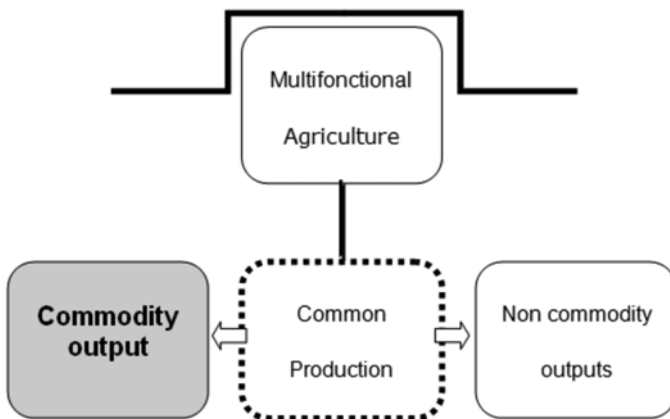
² SAPARD (Special Accession Programme for Agriculture and Rural Development) established in June 1999 by the Council of the European Union to help countries of Central and Eastern Europe deal with the problems of the structural adjustment in their agricultural sectors and rural areas, as well as in the implementation of the *acquis communautaire* concerning the Common Agricultural Policy (CAP) and related legislation.

Originally created in 1989 as the Poland and Hungary: Assistance for Restructuring their Economies (PHARE) programme, Phare has expanded from Poland and Hungary to currently cover ten countries. It assists the eight new Member States: the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia, as well as acceding countries Bulgaria and Romania in a period of massive economic restructuring and political change.

³ The term *acquis communautaire*, or *EU acquis*, is used in European Union law to refer to the total body of EU law accumulated thus far. During the process of the enlargement of the European Union, the *acquis* was divided into 31 chapters for the purpose of negotiation between the EU and the candidate member states.

In Agenda 2000⁴, non-food outputs of agriculture have been expressed in terms of rural development, environment, food safety and animal health, among others. Nevertheless, the basic food-producing function of agriculture has never been questioned (art. 39.1. TUE), and has remained the CAP's core objective. In other words, the CAP is a model of agriculture, defined by competitiveness on world markets, production and price concerns, where farmers are also portrayed as entrepreneurs (Speech Franz Fischler, 2002). The commodity output function remains more important and relevant to European agriculture. It has barely been questioned. Figure 1 illustrates the above discussed relationship between commodity and non-commodity output of multifunctional agriculture.

Figure 1. Multifunctional agriculture



⁴ Agenda 2000 is an action programme whose main objectives were to strengthen Community policies and to give the European Union a new financial framework for the period 2000-06 with a view to enlargement.

The discourse on multifunctional agriculture also stresses the specificity of agriculture as a special human activity. Claims about agricultural ‘*exceptionalism*’ still persist within several countries in the EU and posit agriculture as a special economic activity, whose support is justified by the ‘public services’ that farmers should provide. Within the framework of this agricultural ‘*exceptionalism*’, rural development and environmental protection play a special role in defining what European agriculture should be.

The multi-level nature of the EU governance system only adds to the complexity of the MF discourse and to its differentiated implementation in different domestic contexts. In practice however, governments tend to operate related concepts which respond to the growing concerns of their respective farmers. The situation in the Central and Eastern European Countries (CEECs) during negotiations for accession to the EU shows how the EU discourse on MF and its implementation differ in substance. First it reveals that there is a top down process of transfer of EU policies on multifunctional agriculture; second that in addition to this top down approach, a simultaneous horizontal Europeanisation is taking place, in which actors are socialised as a result of the discourse on MF.

Different contexts but common trends of agricultural duality

Although the MF approach is based on common Community principles, an analysis of the role of social actors in the Czech Republic and Bulgaria reveals that these domestic conditions shape its impact. In order to explain the outcomes in each country we need to take into consideration both different contexts of implementation but also common trends.

Certain common characteristics of the current social and economic development of agriculture and rural areas in the CEECs can be attributed to commonalities in the

historical and political context. Despite sharing half a century of Soviet influence, it is however important that new EU member states from Central and Eastern Europe are not considered as one a homogeneous block of post-socialist countries.

This is revealed through their agricultural sectors. Although agriculture still constitutes the backbone of the rural economy in CEECs, there are many differences in terms of farming structures, production and agrarian history. However, there are also similarities. For instance, the rural economy tends to lag behind the urban economy. Rural areas are characterised by high unemployment rates, poverty, poor infrastructure and bad service activities, social marginalisation and ageing population. Another shared characteristic among the former post-communist countries is the dual farm structure. These countries have (to different degrees) both very large (whether private or state owned) and numerous small enterprises, which are sometimes part-time oriented, family farms.

The dual farm structure creates a dividing line between competing goals:

- a goal to increase competitiveness of agricultural production by supporting large-scale farms and large family farms in traditional crop and livestock production,
- a desire to foster viable development strategies for small family farms, household plots and rural areas.

For instance, in the Czech Republic 7.5% of the total number of farmers (big size farms (500 ha and more) cultivate more than 80% of agricultural land⁵. The other

⁵ Source: Czech Agrarian Chamber 2001.

20% of land is cultivated by small family farmers. In Bulgaria, the situation is similar. It shows that 1 % of farms are large scale farms of approximately 500 ha. 99% of farms cultivate 20% of total farming area, with an average size of 0,9 ha⁶.

The multifunctional role of agriculture was conveyed to EU candidate countries during the process of accession to the EU. As mentioned above, in spite of a unifying model, which is contradictory in itself, different understandings, specific uses and different implementations were made of this model in the candidate countries.

The Czech and Bulgarian examples

The following subsection describes different understandings and competing discourses of MF. Due to the non-commodity aspects of MF, and the influence of EU accession, it is often associated with the past system⁷. Indeed, during the state-socialist period, agricultural cooperatives and state farms had performed additional social functions that went beyond pure economic activities. They had an important social role in terms of recreation, education and social activities when dealing with members – workers and the rural community as a whole.

MF as an ambiguous notion

In the Czech Republic, the aspects covered by the definition of MF are very broad, taking into consideration a wide range of rural and agricultural issues. Terms such as landscape maintenance, sustainability, or non-market functions are widely used:

⁶ Farm structures in Bulgaria 1999/2000. Bulletin N14, Bulgarian Ministry of Agriculture.

⁷ Interview with Czech Government Officials, groups leaders and activists.

“The Agriculture OP [Operational Programme] responds to the demand of the society to ensure sustainable rural development, for instance by strengthening the employment in order to prevent the depopulation of problematic regions, by clarifying and rearranging the ownership titles to land, by the development of multifunctional agriculture, diversification and other activities carried out in rural areas. This way, rural areas should get access to alternative sources of income. A multifaceted structure is sought that would be consistent with natural conditions both in terms of the form of businesses as well as the orientation of production⁸. ”

This is considered as an added value to regular agricultural activity in other production areas (diversification in agricultural activities). The aim is to achieve an agribusiness approach which is often lacking in post-socialist agricultural companies.

In Bulgaria, the term MF is still not widely used, while the term sustainable development (*устойчиво развитие*) is frequently employed in relation to almost any kind of activity. MF agriculture and rural development are used as an equivalent. As in the Czech case, emphasis is placed on the development of rural areas in terms of improvement of infrastructure, services and diversification of economic activities. Several policy documents, including the National Programme for SAPARD, show a growing concern for rural areas, in terms of diversification of rural activities.

⁸ Operational Programme “Rural Development and Multifunctional agriculture” 2004.

Speaking of multifunctionality, Tomas Doucha, researcher at the Czech Research Institute for Agricultural Economics explains how the Czech understand different notions under the multifunctionality discourse, while at the same time avoiding the discussion on the genuine Czech agricultural policy and its goals in the future:

“We understand different things by this in the West and in the East. Our agricultural vision should start with a genuine discussion about the vision for Czech Agriculture. What should its objectives be for rural areas? We create categories such as “nature, countryside”, others speak of “expansion” typically in relation to big companies. Other politicians want more competitiveness. This brings us to the issue of agriculture in mountain areas. Why not convert it into nature? Personally speaking may be in terms of countryside we are talking about the European model of Fischler (Commissioner for Agriculture until 2004). But this also means that there must be social functions. The ministry agrees with this but only for LFA (less favoured areas). We need this discussion because it is important for the use of structural funds⁹.

Government policy papers set an objective: “the adaptation of Czech agriculture to the European model of multifunctional and competitive agricultural sector should take place¹⁰”. Competitive and multifunctional aspects are

⁹ Interview with Tomas Doucha, Czech Research Institute for Agricultural Economics, VUZE, Prague, 16 Jan 2003. When talking about Mr Fischler, then Austrian EC Commissioner for Agriculture, Mr Doucha may be referring to an Austrian type of agriculture where emphasis is given to landscape.

¹⁰ Operational Programme, *op. cit.*

put together as an objective for farmers. These papers show two competing reference frames, which could also be related to the European Agricultural Model: competitiveness for EU farmers and “exceptionalism”, illustrated through multifunctionality. It could be argued that the use of MF discourse in Czech agriculture by academics, policy researchers, professional activists and lobbyists has an accelerating function which serves to promote a specific vision for Czech agriculture, in which a balance is achieved between society’s need for non-agricultural output and farmers’ objective of competitiveness.

In the Czech Republic, for instance, diversified activities are important for both large-scale corporate farms and small-holdings but different interest groups envisage different roles for the farm enterprise and agricultural development in general.

For example, the Agricultural Association (a union of large scale farmers) supports multifunctionality in the sense of diversification of activities in rural areas. Large-scale farms had experience of this from the era of the collective farm structures, when more than 50 % of the income of some farms came from non-agricultural activities. Their view is that intensive farming should be concentrated in favourable areas, and in less-favourable areas the farms should orient themselves to non-productive functions, such as the maintenance of landscape (indeed, EU funding is currently available for this activity). The Agricultural Association supports a competitive liberalised agricultural sector coupled with financial support measures to farmers, equivalent to the ones given to their West European counterparts. In economic terms, it represents the largest proportion of Czech agriculture.

However, whereas large-scale farmers prefer to operate in the productive sector (both in agricultural and non-

agricultural production), family farmers stress not only production, but also values, such as right to farm, land and tradition. They are represented by another farmer's association: the Private Farming association (APF). They tend to be more involved in local development activities in their community. The APF recommends a type of agriculture related to rural life, protection of environment and the social role of farmers in the countryside.

Farmers have seen that at times agro-rural policy as triggered by EU policy priorities does not correspond to the Czech countryside. The shift in the CAP towards rural development is considered negative by some Czech farmers as they do not perceive it has a role to play in the modernisation of the countryside. Others view the CAP as an artificial support policy that is worse than the communist planning schemes.

In Bulgaria, meanwhile, the MF strategy is barely known. It is often absent from policy papers which concentrate on a sectoral approach. The main goals in terms of sustainable development are the increase of income and the improvement of living conditions of farmers and rural population¹¹. The absence of discourse around MF could be indicative of a reluctance to change, highlighting the 'political kidnapping' of agricultural policies in Bulgaria which insist on the status-quo.

Finally, compared to the situation in the EU 15, MF in new member states is related to the dual farm structure, with large-scale farm units and family farms of varying sizes. Multifunctionality plays a different role depending on the type of farm unit. Family farms have off-farm

¹¹ Министерство на Земеделието (Ministry for Agriculture Bulgaria), Национален план за развитие на земеделието и селските райони (National Plan for Development in agriculture and rural areas), (2000 –2006) , (2007 – 1013).

income from another occupation or alternative social transfers (mainly pensions). They provide services with their own farm equipment and practice forestry. A number of family farms are also involved in organic farming and agri-tourism. Large-scale farms tend to be involved in several multifunctional activities at the same time, as they used to in the central-planned era as state farms.

To conclude, the Czech example demonstrates that MF discourse has a function of acceleration in promoting a specific vision for Czech agriculture, while in the Bulgarian case it has a function of concealing the reluctance to change. This difference in attitudes could be explained by differentiated domestic contexts in the social, political and economic field of agriculture. This must be taken into account to explain the distinct pathways of Europeanisation that domestic agricultural policies have taken.

Despite these differences, a closer look at farming structures in the two countries demonstrates that common trends can also be identified.

Common trends

Three emerging trends can be observed in the Czech Republic and Bulgaria.

The first concerns multifunctional activities organised around big farming structures. These activities are strongly influenced by the legacies of the previous collective farms. For instance, they used to have local shops, restaurants, food processing, slaughterhouses, and various trade activities. State farms had construction and transport activities, and even manufacturing and industry sidelines. They also supported many other services, such as cultural actions and schools. During the transformation period, this kind of ‘multifunctionality’ was greatly

reduced¹² but it is still a relevant activity for some companies. My observations reveal that large agricultural companies in Czech Republic are still involved in similar activities, which could be regarded as ‘multifunctional’ – shops, restaurants, transport activity etc. However, there is less innovation among large scale farms and less interest in or responsibility taken for local development. Some of the large-scale farmers even live in the city and travel every day to their job at the farm. Therefore, money earned is not invested in the rural area.

The family farms follow a different path in diversifying income sources. This second emerging trend is revealed in interviews carried out for this paper with local activists from small farmers’ associations and with farmers. In Bulgaria, ‘multifunctional’ activities often take place away from the political networks that rule the Bulgarian agricultural sector. In the Czech Republic, small family farmers tend to be more involved in horizontal activities in the area where they live where they are also engaged in local politics.

A third observation is that farm household units are beginning to operate the new kind of multifunctional activities, such as organic farming, agri-tourism and certain other new on-farm activities (care farms etc...). Such farm units need to have the social, educational and economic resources to diversify. While these are still growing in Bulgaria, these are relatively widely practiced activities in Czech Republic. Despite the short history of organic farming, it is one of the most studied and surveyed single activities in CEECs. Organic agriculture was only launched in the early 1990s in CEECs. The reason for this is that organic farming is a controlled,

¹² Interview with KŠČM Vice president of Committee Agriculture in the Czech national assembly.

instructed and subsidised multifunctional activity. More research needs to be done on the importance of external and domestic incentives (especially financing) of non-market agricultural activities.

Conclusion

This chapter studied Europeanisation through the use of the discourse on multifunctionality in two Central and Eastern European countries, current new members of the EU. MF is directly linked to the notion of a European Agricultural Model, and thus it has an impact on the agricultural sector and professional actors in the new Member States.

The results call into question the concept of MF in CEECs and its capacity to be exported as an EU tool of Europeanisation. I highlight that MF, while being a vague and at the same time an ambitious concept, is a multifaceted phenomenon and thus it could embody different realities in various contexts. However in our two cases, the main issue of multifunctional rural development is defined as the improvement in living and working conditions of the rural population. This is an important issue which resulted from the drastic crisis in rural areas during transition to market economy.

Secondly, I found that at the local level, small farmers' associations involved in rural or agricultural activities would seek to promote a 'rural' role of the profession, in accordance with recent reforms of CAP, while bigger farmers would seek to promote an image of entrepreneurs, thus taking advantage of the export schemes of CAP. Nonetheless, both types of farms and both types of farmers' associations practice some kind of multifunctional activities.

Third, the MF discourse and implementation of MF measures show that it is enhanced by financial incentives,

and that it can be interpreted in different ways according to the problems in the rural community. These results suggest that further research into the way in which MF is implemented and evaluated in both new and old member states could be beneficial.

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