

## **Multifunctionality in European Agriculture: Opportunities for Income and Employment in Rural Areas**

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### **Abstract**

The countrysides of Europe and the diversity and richness of their agricultural systems represent an undeniable social, cultural, ecological and economic patrimony for European society as a whole. Many people value agricultural land and the countryside as open space. In a more modern language, rural and environmental amenities are provided by agriculture. Agriculture also contributes to the maintenance of our cultural heritage and the economic viability of rural communities. And, in spite of the surpluses on most agricultural markets, the internationalisation of food chains and the fact that food security is not really an issue in Europe, local agriculture also contributes to more localised food supply systems considered important by many people, both urban and rural.

In this contribution a definition of the multifunctionality of agriculture is given that relates to new farm-related activities and new markets. The activities are interpreted as an expression of new relations between agriculture and society, city and countryside. By mobilising new revenues, the activities represent new answers to the price-squeeze. The activities presented are farm-based and farming-related but they go far beyond primary agricultural production. The definition of the multifunctionality of agriculture used here builds upon grass-roots experiences and it takes into account that the term concerns farming, land use and rural space as a whole. The emergence of new countrysides is in this respect inextricably linked with an increasing importance of new multifunctional enterprises and networks that link the rural with the urban.

The data presented are the results of the IMPACT project (FAIR PL 98-4288), a large-scale European research programme with partner universities and research institutes from Germany, Ireland, Italy, The Netherlands, Spain, the United Kingdom and, in addition France, as where data were collected by a sub-contractor. Together these seven countries account for 76 percent of all farm enterprises in the European Union (EU), as well as for 84 percent of all agricultural land. The methods applied comprise 31 case studies covering a wide range of 'new' farm related activities, a complete overview and socio-economic assessment of these activities for the seven study countries, a survey amongst approximately 3,250 professional farms and an analysis of the interrelations between policy and practices. The data given provide a quantitative picture of the importance of multifunctionality in EU agriculture (numbers of farm households involved; additional value added; additional employment created).

The 'new' agriculture-related activities are closely related with what we nowadays call MFA. Using this terminology the activities examined here are an expression of the multifunctional character of agriculture and of a sustainable and multisectoral development of rural areas. The large number of activities that can be seen in rural areas and that are related with farm households and farming activities have three main characteristics: (1) The activities are an expression of new relations between agriculture and society, city and countryside; they constitute a response to new societal needs. (2) By mobilising new revenues and finding new forms of organisation, co-operation and cost reduction, the activities represent new answers to the price-squeeze. (3) The activities stand for a reconfiguration of farm resources and their relation with rural areas, food chains and the institutional environment.

The data given on economic impact are supported by a representative survey among 3,264 farms. In the survey the farmers estimated that on average 34 percent of total farm income and 53 percent of total farm employment is linked with 'new' farm-related activities. The fact

that almost half of all enterprises that are engaged with deepening and broadening activities is involved in more than one activity is an indication of the importance of complementarities and synergies in the use of farm resources. In many instances a range of activities and the creation of synergies may actually be needed to sustain multiple functions.

The developmental model sketched out here corresponds well with recent shifts in policy at European level. Multifunctionality is the central feature of the European Model of Agriculture (EMA), which became a cornerstone of the Common Agricultural Policy (CAP) in the European Council in Luxembourg in 1997. European agriculture and the CAP are moving from a mere monofunctional towards a more holistic and integrated perspective as guiding principle for policy formulation, enterprise development, and the design of new institutional arrangements. The evidence provided in this chapter indicates that multifunctionality could be operationalized at the level of the individual farm household.

Policy must aim to provide a supportive environment for new, future-oriented and indeed market-driven activities in rural areas and for a reorientation in resource use. The rapidly increasing importance of quality food markets with a regional image and of the provision of public goods through nature and landscape management contracts are clear signs of such a reorientation.

### References

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