Role of Multifunctional Agriculture for Rural Development in Bulgaria

Violeta Dirimanova
Agricultural University
Mendeleev str. 12, Plovidv 4000, Bulgaria
E-mail: violeta_dirimanova@yahoo.com

Abstract: The aim of this paper is to present how multifunctional agriculture works in Bulgaria and to show its impact on the rural development in the country. To reach this purpose, first, the legal status of multifunctional agriculture will be discussed, then the existing multifunctional activities in Bulgarian farms will be shortly analyzed, and finally two case studies, which demonstrate the role of multifunctionality in the rural life, will be presented.

Key words: multifunctional agricultural, rural development, farms, Bulgaria

1. Introduction

Multifunctional agriculture is a relatively new concept in the CEE countries and especially in Bulgaria. There is no much research done on the role of the different farm structures on multifunctionality, the extent to which multifunctional activities are taken up by farmers, and the rural policies and their contribution to the economic, ecological and social sustainability of the rural development in Bulgaria. The aim of the paper is to present how multifunctional agricultural works in Bulgaria and to show its role for the rural development in the country. To reach this aim, first, the legal status of the multifunctional agriculture will be discussed, then the existing multifunctional activities in Bulgarian farms will be shortly analyzed, and finally two case studies, which demonstrate the role of multifunctionality on the rural life, will be presented.

Empirical findings show that the notion of multifunctionality is rarely used in Bulgaria. The government in the country does not implement the concept of multifunctionality in the national rural development plan but use relative concepts such as alternative economic activities, agricultural diversification, and non-agricultural production. Environmental and social issues, which are other aspects of multifunctionality, are implemented separately. The case study shows that farm size has an important role for implementation of the different multifunctional activities. In Bulgaria, the large commercial farms are involved in several agricultural activities, such as growing up traditional crops and/or livestock production and agro-tourism. This multifunctional model of agriculture is accepted by larger number of commercial farmers and supported by administration. The small farms in the region implement different model of multifunctionality. Some small farmers often divide their time between on- and off- farming activities because of lack of financial resources, while others implement different activities of on farming. Unfortunately, their multifunctional farm activities are strongly depended on machinery and labor power of large commercial farmers. In addition, small farmers in the region are more interested in farm activities linked to environmental preservation than large farmers.

The role of implementing multifunctional activities in Bulgarian agriculture contributes to sustainable development of the rural areas. It creates opportunity for more stable rural development by reducing poverty and providing nutrition for population. In addition,

multifunctionality of agriculture can stabilize the social life and protects the environment in the studied region.

2. THEORETICAL AND METHODOLOGICAL APPROACH

Agriculture has played a main role in the rural development and in shaping rural landscapes. Though, agriculture remains still today for many rural areas an important economic sector for creation of wealth and employment, its dominant role in the rural area is declining. At the same time, rural area is also subject to a rapid globalization process. Modern way of life – infrastructure and communication technologies - put pressure on rural society and brakes rural customs and traditions. The role of agriculture for the future of rural areas is under discussion in the EU and included into the new changes in the Common Agricultural Policy (CAP).

Multifunctionality, therefore, might be a new paradigm to bring modern agriculture to the new social and environmental demands. It is stressed that in addition to production of commodity goods, agriculture produces a range of non-commodity goods and services, effect social and culture systems and contribute to economic growth (Huylenbroeck, et. al. 2007).

The debate for introduction of multifunctional agriculture as a process for changing the agricultural policy has started in mid 80s. The term "multifunctionality" emerged in 1992 at the Rio and Portugal Earth Summits as a response to a wide range of concerns about worldwide changes in agriculture and rural areas. The OECD Declaration of Agricultural Ministers Committee defines multifunctionality of agriculture as follows: "Beyond its primary function of producing food and fibre, agricultural activities also shape the landscape, provide environmental benefits such as land conservation, the sustainable management of renewable natural resources and the preservation of biodiversity, and contribute to socio-economic viability of many rural areas. Agriculture is multifunctional when it has one or several functions in addition to its primary role of producing food and fibre" (2001).

In the literature, there are two main approaches regarding multifunctionality (Aumand et al., 2006): positive approach that focuses on the supply side, and normative approach, on the demand side. First, a *descriptive / positive* conception of multifunctionality is used in terms of technological jointness of production (functions) of landscape that actions impinge upon. Translated to social theory this positive conception describes the fact that human actions have indirect implications for the physical environment. Second, they introduce a *normative* definition of how multifunctional landscapes perform (Wiggering et al. 2003; Thiel 2005). Normative multifunctionality, furthermore, is conceptualised as "…an attempt…at carrying out and implementing the concept of sustainable development in the specific case of land use and landscape development" (Wiggering et al. 2003:9).

There is a third approach, which has more holistic interpretation of the concept of multifunctionality, based mainly on rural area and rural geography and referred to different farming system that are more territorially embedded, made use of local resources and tried to build new link between consumers and farm producers (Wilson, 2001).

As analytical concept, multifunctionality differs from diversification and pluri-activity. Multifunctionality refers to the fact that one activity can have many functions and different outputs. It is related to a single economic activity (i.e. single wheat production or a group of activities like food production), while diversification means that different economic activities (i.e. food production and tourism) are combined in one farm unit. Pluri-activity refers to the fact that one farmer(s) are involved in different activities (i.e. farming and non-farming). Although, these terms differ from each other, they bring together different activities with mono-functions, which benefit rural society and support economic growth.

The key elements of multifunctionality are two. The first element is multiple commodity (food and fibre) and non-commodity outputs (food security and safety, rural landscape, biodiversity, soil conservation, etc) that are jointly produced by agriculture. Second element is those non-commodity outputs that have characteristics of externalities or public goods, with results that markets for these goods do not exist (OECD, 2001). Therefore, multifunctionality has direct and indirect impact on agriculture.

The multifunctionality is a new concept, which enters Bulgarian agriculture. The opportunity of agricultural producers to develop such farming is a good basis for a better recourse use, for development of different economic activities in the rural regions and for sustainable agricultural development. The functions of multifunctional agriculture are normal economic activities developed in the farm that are interlinked with maintaining the biodiversity, improving the water quality, decreasing the carbonate in the ground and creating conditions for district identification by suggesting to agrotourism, non-professional hunting and agricultural entertainments.

Multifunctionality in Bulgarian farm is scientifically researched in some directions, but a complete research of the social, economic and ecological functions and their impact on rural development is not done up to now. Some Bulgarian specialists consider methodical questions, which examine the farm styles in the multifunctional agriculture and multifunctionality like strategy for adaptation of the Bulgarian producers to the Common Agricultural Policy (Doichinova, 2008), others are considering the effect of the multifunctional agriculture at biofuels' production from animal products (Yovchevska, 2003).

The role of multifunctionality on rural development will be examined by using multiple source of information. Documentary and statistical data will be used to explain present situation of multifunctionality of agriculture and its impact on rural development in the country. Descriptive approach will be used to analyze cases that attempt to implement multifunctional agriculture in Bulgaria.

3. Discussions and Results

Multifunctional development of agriculture is a new issue for Bulgarian farmers. There are no so many studies on multifunctionality and its application in Bulgaria. Consequently, the multifunction agriculture and its socio-economic and environmental impact on the rural development is an important reason for deeper studying of this type of agriculture.

In Bulgaria, after the EU accession of the country it became necessary the adoption of the concept of multifunctionality in the rural and agricultural policy documents. Although this concept was not well known from Bulgarian farmers and very rarely used by political, academic and non-government organizations, they often used alternative concepts, such as "economic diversification", "rural development", "sustainable development" or "alternative activities". In the country, several sub-concepts were found in practice, for instance farms that combine different agricultural and non-agricultural activities, such as agri-tourism, food-processing, direct sales, renewable energy production, aquaculture, handicraft, and others (Table 1).

Non-agricultural income plays a very important role for Bulgarian farms. In practice, most of the farmers have other income sources, mostly coming from off-farm activities and different social transfers. Farmers often have broader activities rather than deeper, for instance, contractual work (providing services with their machinery equipments), transportation activities and construction work (South Central, North Central and South West of Bulgaria) and different handcraft activities (North-West and North-East of Bulgaria). Processing of farm products and wood processing are other activities that have great importance for some

farms in North Central and South West_Bulgaria. Moreover, another activity, such as creating and distributing renewable energy also provides income for some farms. Deepening activities are rather new in Bulgaria. On the other hand, Bulgarian farms have long traditions in quality production and direct selling of some products such as wine, vegetables and fresh fruits.

Table 1 Number of farms by type of other non-agricultural activities, 2003

Planning regions in Bulgaria	**Number of farms by type of other non-agricultural activities**							
	Contractual work, using equipment of the farm	Processing of farm products	Wood processing	Agro-tourism	Handicraft	Aquaculture	Renewable energy production	Other activities
North-West	856	1032	15	11	99	277	2	438
North Central	1274	2726	23	49	47	120	5	491
North-East	2116	2830	15	53	53	113	5	743
South-East	852	1937	5	110	26	83	7	315
South-Central	2768	2417	25	58	41	194	35	1122
South-West	1818	2723	32	57	24	277	12	538
Bulgaria	9684	13665	115	338	290	1064	66	3647

Source: MAF (2005)

Therefore, there is wide range of multifunctionality activities in different planning regions in Bulgaria. In some regions, more common is agro-tourism, handcrafting and aquaculture, in another region renewable energy production and wood processing. In all regions, contractual work is often practice, which is provided by farmers. Consequently, we can actually state that almost every farm in Bulgaria is multifunctional, because they usually carry out some other activities than only the conventional food and fibre production.

In this situation, it is difficult to implement the general definition of multifunctional agriculture at the farm level. This concept needs to be more operationalisated; the definition of a multifunctional farm needs to be specified and its characteristics need to be listed and described. Multifunctionality represents much more than economic aspects and income opportunities; it has also strong socio-culture aspect.

The problem to define multifunctionality or type of multifunctional activities in agriculture can be illustrated by two cases. The first case presents a typical convention farm while second case presents working programme for alternative agriculture in Rodopi region. Both cases present alternative concepts of multifunctionality. The first case concerns the “economical diversification” concept while second one - “sustainable development”.

The first case is a typical convention farm in Bulgaria. This kind of farm includes animal and plant production and often such farm has practice to provide machinery service. The farmer hires out agricultural machines to another farm. The farmer also has off-farm incomes from another occupation. Does this farm fulfill the characteristics of multifunctionality? In fact, the farm has diversified its income sources. This kind of economic diversification, however, is not specific to agriculture. Instead, it is a characteristic of many kind of economic activity. The economic analysis of the diversified activities of the farms should be complemented with a “normative” approach. Then, the question is what makes a diversified economic activity multifunctional. There is a “risk” that every farm will be classified as multifunctional because this supports to some extent the livelihood of rural areas in any case.

The second case is related to a programme for alternative agriculture in Rodopi. The Rodopi region is a typical mountain region with weakly developed agricultural activities, infertile soil and many poor rural areas. This programme has been introduced by Ministry of Agriculture

and Foods and started since 2003. The motives for creating this programme were (1) the high level of unemployment in the region because of closed mine and other industrial and agricultural activities; (2) the high level of land fragmentation in the region; (3) typical mountain region based on two crop production – tobacco and potatoes; (4) low yields of main agricultural production; (5) undeveloped marketing for the main crop production; (6) weakly developed stock breading farms; (7) poor pasture and grass plots; and (8) inefficient production of forage. The aim of the proposed programme from the Ministry of Agriculture and Foods was to develop effective agriculture production in Rodopi region and to create sustainable development in the region through recovering the traditional methods of production and creating the alternative agriculture. The role of such alternative agriculture was to increase the level of employment and the incomes of the people in Rodopi region; to introduce appropriate form of agriculture for pasture and grass plots; to initiate suitable mechanism for crop rotation; to motivate farmers to cultivate alternative crops (i.e. herbs) on the erosive and steeped areas that help soil conservation; to support ecological farming; to inform farmers for different credit and EU programs. The main problems which farmers had for participating in the programme were unclear documents for their property, unclear market for agricultural production, difficulties with application procedures, land fragmentation, conservation character of farmers for implementing alternative crops on their plots and lack of tribal animals. Although, the programme had problems with implementation in Rodopi area, many farmers received financial support for alternative agriculture and increase their economical and social status in the region. Furthermore, the programme generated conservation of the environment, provided sustainability and diversification of the agricultural products and built better life for rural population in the Rodopi area. From this case, again arise the question whether programme for sustainable development can be categorized as multifunctionality. The answer is a positive because such agriculture minimizes the risk through different farm activities, improves the farm incomes and provides better social life for the rural population.

4. Conclusions

The analysis of both study show that the notion of multifunctionality is rarely used in Bulgaria. The government in the country does not implement the concept of the multifunctionality in the national rural development plan but use relative concepts such as alternative economical activities, agricultural diversification, and non-agricultural production. Environmental and social issues, which are other aspects of multifunctionality, are implemented separately. The first case study shows that farm size has an important role for implementation of the different multifunctional activities. In some regions, the large commercial farms are involved in several diversified activities such as growing up traditional crop and/or livestock production and providing machinery services. This multifunctional model of agriculture is accepted by larger number of commercial farmers and supported by administration. The small farms often divide their time between on- and off-farming activities because of lack of financial resources, while others implement different activities of on-farming. The second case study shows that implementation of alternative agriculture support sustainable development in the rural regions and provides better social and economical life for rural population in Bulgaria.

Multifunctional activities in Bulgarian agriculture, in the future, will contributes for sustainable development of rural area. It will give opportunity for more stable rural development by reducing poverty and increasing farm income. In addition, multifunctionality of agriculture may stabilize the social and economic life in rural area and protect the environment in Bulgaria.

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