

Multifunctionality in EU's Common Agricultural Policy between Competitiveness and Sustainability

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2. Priorities of EU's policies for rural development: competitiveness and sustainable development

“Rural development policy should [... integrate] other major policy priorities as spelled out in the conclusions of the Lisbon and Göteborg European Councils for competitiveness and sustainable development“.

(COUNCIL REGULATION (EC) No 1698/2005)



2. Priorities of EU's policies for rural development: competitiveness and sustainable development

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2.1 Which kind of competitiveness?

■ **Lisbon strategy** (March 2000)

- The Lisbon strategy aimed to make the EU “the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion” (Presidency Conclusions 2000).
- Integration of economic, social and environmental renewal as well as sustainability.

■ **EU's policies for rural development** (2006 - 2013)

- Economic competitiveness as a key category
- Examples for a neoliberal economy
 - Physical and human “potential” as capital (available and substitutable)
 - Quality of life in rural areas is reduced to the creation of employment
- Modernization and innovation as the motor for economic development
- Efficiency as another constitutive element of competitiveness
- Agri-environmental payments cause “additional costs and income foregone”



2.2 Which kind of sustainable development?

■ Göteborg strategy (June 2001)

- Environmental aspects are the focal point but not the only objectives.
- Göteborg strategy added a third, environmental dimension to the Lisbon strategy of economic and social renewal.
- Göteborg strategy was supposed to bring sustainability in the mainstream of EU's policies.

■ EU's policies for rural development (2006 - 2013)

- Sustainable economies □ economies that try to achieve environmental goals
- Sustainable economies which are not as competitive as others

“Natural handicap payments in mountain areas and payments in other areas with handicaps should contribute, through continued use of agricultural land, to maintaining the countryside, as well as to maintaining and promoting sustainable farming systems.”

(COUNCIL REGULATION (EC) No 1698/2005)



2.3 Interim conclusions

Three reasons to question a succeeded integration of economic, environmental and social goals in EU's policies for rural development:

- 1st:** Lisbon strategy (competitiveness) guidelines European politics.
- 2nd:** Sustainability was reduced to environmental issues, because only the environment dimension of Göteborg strategy was added to Lisbon strategy.
- 3rd:** Dominance of a neoliberal economy, characterized by “a narrow economic rationality” (separations and hierarchies, focus on monetary values only)

► We recommend an understanding of sustainable development which does not subordinate to a narrow economic rationality but mainly questions this one-dimensional orientation.



3. Multifunctionality between adaptation and transformation

■ Research question:

Is the concept of multifunctionality indeed a contribution to sustainable development of rural areas?

■ First interpretation: **Adaptation**

- Because the non-commodity outputs are only monetary valued, the narrow economic rationality is rather reproduced than reflected.
- This narrow economic rationality can be seen as jointly responsible for global shocks.

■ Second interpretation: **Transformation**

- Multifunctionality takes informal, not market based economics into account; products, services and qualities that are not valued in a liberalized agriculture, are considered and valued in a multifunctional agriculture.
 - Through this changed and extended perspective sustainable economy in rural areas can be developed and established.
- It will depend on how the concept of multifunctionality is shaped in future if it can provide a contribution to sustainability.

Thank you for your attention!

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