

# MULTIFUNCTIONALITY IN THE RURAL MEDITERRANEAN: IMPACTS OF POLICIES IN THE CASE OF GREECE AND SPAIN

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## Abstract

A will of developing a multifunctional, sustainable, competitive and spread all-over-the-territory model of the European agriculture was expressed during the negotiations of the Agenda 2000.

Multifunctionality is a new concept in the European level that corresponds to an ancestral reality of the Mediterranean rural world, because as an integrating phenomenon is not far from the current models of Mediterranean agriculture functioning. However, the promotion and the financing of the economical, social and environmental objectives that are associated with this concept have to take into account the special agro-climatic and socio-economic features of the Southern European countries.

Keywords: Multifunctionality, Agriculture, Greece, Spain

The evolution of the Common Agricultural Policy combined with the evolution of national and regional policies of member States determine the existent general and specific political context. But from this political environment some new questions arise. Into the European context, the Mediterranean agriculture has a specific place that CAP has always had great difficulties integrating; and this due to the special features of the agricultural productions, the means of production (agricultural structures, labor etc.) and the diversity of socioeconomic structures of these areas as to their often marginal character in comparison with the dominant group of the agricultures of the North. Multifunctionality is a concept cherished by the stakeholders of the Mediterranean rural world because it corresponds to an ancestral situation of integrating different economic activities in these areas. Despite this fact, conflicts appear sometimes into the regions because of strongly different forms of agricultural policies' implementation and so, more or less recent evolutions of these policies have to be taken into account. In this paper, we present a comparison of the Greek and Spanish case, in the purpose to demonstrate the evolutions of the policies of the two countries and to locate the conflicts and solutions that steam from multifunctionality.

## 1. Comparison of Spanish and Greek agricultural models: regionalization, production structures and households' pluriactivity.

### 1.1. Geography of Greek and Spanish agriculture

By way of an initial comparison, the differences in size and resources between the two countries make that in Spain there are 25, 6 million hectares of UAA (Utilized Agricultural Area), i.e. 20% of the whole European Union's UAA in 1998 while in Greece there are no more than 3,5 million hectares, i.e. 2,7% of the EU (Commission Européenne, 2001). On the contrary, the yields of these two agricultures are quite similar and much weaker in comparison with the agricultures of the North concerning the agro industrial productions.

The regional agricultural diversity of the two countries depends at the same time on the special features of the agricultural productions and on the level and the potential regional development, especially in relation to offers in the local labor market. The following typologies are generally accepted for the two countries respectively: In Greece, a demographic exodus, an ageing of population and often anachronistic production structures characterize mountainous areas. Their economic decline is linked to the weak potential development of viable agricultural activities and the absence of alternative activities and their survival depends partially on subsidies of the European Community (Papadopoulos et al., 1999). Into semi-mountainous and coastal areas and into the islands, agriculture is being practiced for a long time in semi-extensive and semi-intensive systems. These often remote areas have an intermediate development with a satisfying agricultural potential, where pluriactivity is a quite widespread practice. Dynamic areas in plains are characterized by a high production potential and a more intensive, competitive and profitable agriculture that can ensure full-time jobs. Spanish peninsular agriculture is more characterised by regional differences, superimposed on big purely geographic differences. Mountainous agriculture is actually in a similar situation as in Greece as the process of abandonment and ageing that started in both countries during the 60's seems nowadays stabilized. We can also speak of a traditional agriculture linked to the agricultural systems of the flat and sparsely populated interior, concerning extensive, dry crops or extensive, forest agro-pastoralism systems. In the zone close to the Mediterranean coast, an historical private (independent) agriculture, based on Mediterranean products persists that remains often largely competitive and exporting. In other zones next to big urban and port agglomerations, an agriculture based on imported products has been developed that concerns a relatively new, more reformed and often export-oriented agriculture.

### *1.2. - Diversity and special features of farms and productions*

The average size of Greek farms was 4,3 hectares in 1997 (Commission Européenne, 2001). Among these farms, 89,9% were smaller than 10 hectares and occupy 54,4% of the total UAA. Farms that we usually consider as medium in northern Europe (20 to 50 hectares) do not cover more than 17,7% of the UAA in Greece.

In Spain, the regional diversity appears also in the size of farms. The average size was 21,2 hectares (close to the European average) in 1997 (Commission Européenne, 2001) but this average is due to almost 8,2% of farms of more than 50 hectares that control 67,7% of the UAA. On the other side, 68,1% of farms of less than 10 hectares (almost 0,8 millions) share 10,4% of the UAA. Farms of 20 to 50 hectares do just occupy 13,9% of the UAA.

As a conclusion, the two very characteristic factors of these two Mediterranean countries are the low yields and the diversity of size where small farms are predominant. Combining these two factors, we understand easily that farms have a poor average economic dimension.

The part of agriculture in the Gross Domestic Product (GDP) of Greece and Spain in 1998 is 5,8% and 3% respectively, against 1,5% in the EU, which proves the importance of the agricultural sector to the economies of the countries. This Final Agricultural Production (FAP) is quite oriented towards plant and animal production of the Mediterranean zone. But plant productions are especially important, since fruits and fresh vegetables, wine and olive oil production reach (in Greece and in Spain respectively) 38% and 39% of the FAP in 1998, against 24% in average in the EU. On the contrary, animal productions have a lower position with 29 % and 38 % of the FAP, against 48 % in the EU.

### *1.3. - Labor structure and organisation*

The unequal distribution of lands and productions intensive in labor force, affects among others the specific features of the active agricultural population. Non-family labor makes up for 12,4 % and 28,9 % of Annual Labor Unit (ALU) in 1997, in Greece and in Spain respectively,

against 20,8 % in the EU (Commission Européenne, 2001). The main difference compared to Northern European countries is that non-family labor in the South is mainly employed irregularly during the year. In addition, there are more part-time farmers in these Mediterranean countries: 89,2 % and 75,6% respectively against 73,2 % in the EU in 1997.

Unlike the evolution in the Northern countries, the wave of modernisation has not really led to the disappearance of extensive, low productive, traditional, typical to the Mediterranean world systems. Several ways have been used in Mediterranean in order to allow the survival and even the reproduction of farms like pluriactivity, resorting to seasonal family labor or to cheap, immigrants' labor, mutual aid, continuous adjustment to the imposed restrictions through the change in the production volume etc.

Households' pluriactivity has been a widespread phenomenon in Greece since a long time ago. It can be "found in farms of any size or productive orientation without just being a transitory stage in the evolution of farm modernisation" (Kassimis et al., 2000). In Spain, pluriactivity is a less fixed and less generalised reality, which has taken an importance because of the modernisation process and of the crisis of traditional agriculture in the last third of 20th century. This process has not only led to a strong reduction of agricultural population but to a complex articulation of labor terms in agriculture and in the rural and local urban society as well (Secretaria General Técnica, 2000). Nowadays, rural society shows a quite important degree of adaptability at least into a favourable context like the one developed as a result of EU subsidies in underprivileged zones.

In any case, the degree of development of pluriactivity depends essentially on the alternative offers in the local labor market and in consequence on the local economic structures. The comprehension of the agricultural and non-agricultural pluriactivity phenomena is very important when we study the issue of multifunctionality in agriculture, given that this last one is closely linked to the pluriactivity.

Within Greek family farms, we still find the practice of mutual aid among friends, neighbours and family members. In Greece, family labor keeps on being the first recourse to labor in farms, even if an increase of foreign labor has taken place during the last decades. This situation releases a part of family labor, especially of women who can be directed towards other economic activities. However, this does not change the family character of Greek farms as regards relations within the family and its strategies (Kassimis et al., 2000). In Spain, we remark the same trend of decrease of the part of family labor in the farm and the increase of non-family, permanent and occasional labor (Secretaria General Técnica, 2000). In Spain, beyond mutual aid practices, associations and cooperatives of a socio-economic character have also a great importance.

## **2. Evolution of agricultural policies**

### *2.1. - Impacts and controversies of the Common Agriculture Policy*

The entry of Greece in the EU (1981) should have allowed the convergence of its economy and of its development level of the other European countries and accelerate the transformation of its agriculture according to a modern and competitive model. But until recently, Greek agriculture did not seem to adopt the same development model as the other European countries, at least in the largest part of its territory, because of a series of endogenous and exogenous reasons.

On the other hand, Spain's entry to the EU (1986) took place during a period of political transition for the country, during which modernisation of the agricultural sector occupied a secondary position compared to the economic liberalism that reigned in parallel with entry's negotiations. Common Agricultural Policy is at the source of the second big historical turning point of Spanish agriculture, after the beginning of modernisation during the 60's.

Common Agricultural Policy does not seem perfectly adapted to the specific features of the agricultures of southern European countries, as the specialisation of its plant productions and it does not seem to take into serious consideration their special problems.

Direct subsidies of EAGGF-Guarantee are a major inequality because of weaker compensatory allowances to small farmers and to less privileged areas. The second inequality is the discrimination of different productive sectors. Mediterranean crops are less subsidized by CAP even if they are very intensive in labor and so very important from a social point of view and as a result they are affected by the consequences of this system. On the contrary, meat and dairy products of Northern European countries enjoy EU's subsidies that are much higher than prices in the international market because of high protection rates and CAP's compensatory allowances (Maraveyas, 1991). This leads to an increase of the gap of the development level between the North and the South; a gap that the programs of support for the less privileged areas do not achieve to cover. Even "after CAP's reform in 1992, the products of the South are losing in support in comparison to the products of the North that are gaining. Considering the additional cost of the new measures, the agriculture of the South is going to transfer about 300 Mecus per year to the EU of the north" (Papadopoulos et al., 1999).

As regards structural aids of EAGGF-Guidance, they are estimated as very low compared with the countries' needs, even if 17,8% (991 Mecus) of the European budget is intended to Spain and 5,7% (321 Mecus) to Greece in 1999. In addition, these measures have to be co-financed by the Member State in a proportion that is in a relation with the type of the measure and the region of application. This remains a source of conflicts within the countries and between the Member States and the EU.

## *2.2. - The role of the State and of the Regions*

Greece entry to the European Union coincided with the advent of the socialist party (PASOK) that has worked out the national agricultural policy and CAP's implementation in it. Since the first year of the entry, one of the main preoccupations of the Greek government was the decrease of the gap between agricultural and non-agricultural incomes by supporting farmers through the absorption of the maximum community funds (Papadopoulos, 1999). But this absorption would not have been as important as it could be because of the weak national participation. Despite the Greek government's efforts, agricultural family incomes were among the weaker in the EU because of low labor productivity and increase in production costs. By way of comparison, these average incomes per farm Unit of Family Labor were (1996/97) 8,8 Mecus in Greece, against 21,8 Mecus in Spain and 13,1 Mecus in the EU-15.

Moreover, in Greece little importance was given in the way in which European funds could be used for the economic and social restructuring in a context of broader lack of clear national strategic objectives for the development (Papadopoulos et al, 1999) and as a result, structural problems of Greek agriculture remain as serious as before.

Common Agricultural Policy measures were used during some periods in order to serve, among others, to electoral objectives, given that agricultural population is still of significant size and employment rate in agriculture in Greece is the highest in EU (17% in total in 1999). As the sums of money distributed were very important, this caused the establishment of very powerful interest networks as it concerns their influence on every sector of social, political and economical life, "especially into the regions of intensive, very sustained agriculture" (Louloudis et al., 1997). In Greece, "the political mechanisms maintain their autonomy and dominate above economic mechanisms into the rural society» (Damianakos, 1999).

After the reform of CAP in 1992, the context has changed. In the frame of the political process of European integration (convergence of the Greek economy to the other economies of the Union, restrictions imposed by the CAP etc.), a new priority has been given to the

structural and institutional modernisation of the agriculture. So, “the Greek economy shows a relative power and seems to get engaged to a process of a real convergence to the standards of North-Western countries during the last years” (Papadopoulos et al., 1999).

Spain’s entry to the EU coincided also with the presence of the socialist party that remained in power until 1994. Modernisation remained one of the main priorities of the economic and social policy in a national and regional scale during all the second half of the 20th century. Modernisation, after this period of transition to the European Community integration, has just a relative success because of budget restrictions and administrative inertias. The technocratic and productivist tentative of modernisation was centred around the promotion of the model of “a professional farmer” and on the constitution of inter-professional organisations.

The Popular Party (right wing party), which came to power after the Socialists, preserved and reinforced socialist measures in order to promote a productivist agriculture. Modernisation efforts and national policy directions did not change with the change of power. There were just the customers of the policies, which were more or less privileged in each case: small and average agriculture and rural proletariat of the south in the case of the Socialists; big and average agriculture of the interior and big agriculture of the south in the case of the Popular Party. Actually, there is a coexistence between a more reformed new and often exporting agriculture (developed in particular in the coastal zones on the basis of imported products like corn and soya bean), an historical, based on independent means agriculture (Mediterranean products) and a more traditional one connected to the agricultural systems of the scarcely populated interior.

In Spain, since the 80’s, agriculture policies are more and more decentralized at a regional level. The Autonomous Communities (Regions) are theoretically the only ones responsible for the application of the agricultural policy (CAP and legislative development) in their territory, and in this context, the central State does not participate any more in the Regions’ level. In fact, Regions have the possibility to define and manage their own agriculture budget, but this right was not used in a homogeneous way in all the Regions. On the other hand, the State keeps some essential competences on agricultural, environmental and social matters, such as the coordination of the general planning of economic activity, the modernization and the development of all the economic sectors with the aim to equalize the standard of living at the country’s level.

The presence in the power of the socialist governments at least during the first years that followed the accession of the two countries in the EU constitutes a common political conjunction of circumstances. These two governments, in spite of their similarity goals in other sectors of public life, they did not seem to have followed the same objectives with regard to the agricultural sector at least during the decade of 80s. In the case of Greece, the focus was more an improvement of agricultural incomes than a dynamic process of structural transformation in the sector. Therefore, Greek agricultural policy was rather in line with a protectionist framework. On the other hand, Spain followed at the beginning a movement of liberalization, which was later accompanied by a modernisation policy. After the family model, Spain seems to follow more a model of professional, entrepreneurial agriculture.

As for the process of regionalization, there is also a very significant difference between the two countries, because Greece just get involved in decentralization while in Spain the Autonomous Regions exist since good a long time. In Greece, the terms of this decentralisation are neither very well nor completely defined (for example the budget of the areas has not been allotted till recently, which reduce the margins of freedom and the importance of their decisions), Moreover, the Greek Regions are only simple administrative cuttings in opposition to Spanish Autonomous Regions which have quite specific identities, as a result of the country’s history. Thus, more precisely with regard to the implantation and the coordination of the budget and the measures of the agricultural policy, Spain is in a more

advantageous position than Greece because of a much longer experience, but without being always able to ensure the negotiations' smooth progress and the resolution of any possible conflicts between the Regions and the central State.

### **3. Multifunctionality and rural development**

#### *3.1. - Relation between the multifunctionality and the rural development*

A will of developing a multifunctional, sustainable, competitive and spread all-over-the-territory model of the European agriculture was expressed during the negotiations of the Agenda 2000 (Commission Européenne, 1997). The introduced modifications concerning the future of the agriculture and of the rural world claim that the agricultural policy should not be the result of a superposition of market, structural and environmental policies, endowed with complex instruments of implementation and without a total homogeneity.

One of the consequences of this model is the priority that the CAP of 1999 gives to rural development and to the protection of the environment (Martín Rodríguez and Al, 2001). Relevant measures have to be integrated to EAGGF: Structural Funds and Cohesion Funds in Regional Development Programs. The regulation (EC) n° 1257/of 17 May 1999 of the Council, concerning aids to the Rural Development for the period 2000-2006, establishes the bases of a Rural Development policy in Europe. In comparison with the previous period, this new system simplifies the mechanism of aids concession, through the Rural Development Programs worked out by the Member States and their Regions. The rural development becomes one of the axes of the new CAP. Multifunctional approach is a point at stake of this new CAP, even if it still remains fundamentally productivist.

The multifunctional approach proposes an assignment of various, complementary to the countryside functions. The economic function passes through the agricultural production, which must ensure an income to the households and to the derived activities. The socio-structural function promotes employment, sustainable development of rural areas, associative activities and links between urban and rural populations, equal rights of women and men. The environmental function implies the protection and the durability of the renewable resources: ground, water, biodiversity or landscape.

The concept of the multifunctionality is located into a context of increasing liberalization of the European agriculture. In this context, OECD (Pingault, 2001) distinguishes a positive approach, which is more an economic one, and a normative approach, which is a more global one. In the first, multifunctionality is considered as a characteristic of the production function in the case of a joint production of multiple products, while some of them are externalities or public goods not submitted to the market laws. According to the normative approach, multifunctionality describes an ensemble of roles or functions assigned to the agricultural sector: productive, social, environmental and of rural development.

Consequently, the problem of the comparison among multifunctionality, durability and competition arises, of which the resolution is related to the nature of the approaches of the public policies (normative or positive) as well as to their relation with those of the third countries.

A very interesting point of view (Diaz Patier and al, 2001) is that the multifunctionality is a characteristic (non-exclusive) of the agriculture, while sustainability and competitiveness must be the objectives of the new agricultural policies. This solution of compromise proposes that the support to the improvement of the conditions of the productive process will lead to a greater competitiveness (price, quality, reduction of costs, etc), while the support to other functions will contribute especially to the social and environmental sustainability of the countryside. It is definitively necessary to introduce a change of conception and mentality: the support offered through these new funds (known as "green box") is not a compensation to an

unspecified reduction of incomes but a remuneration of the society to the agricultural sector for the provision of a certain number of goods for which there is a “market problem” (weak or null remuneration, inexistence of market, character of public good).

Multifunctionality is consequently a new concept for an ancestral reality, but this concept is necessary nowadays for: (i) the defence of a model of the European agriculture, which however has to be better defined; (ii) the justification of a given level of public support to the agriculture, face to more liberalist positions in the multilateral negotiations. This policy must be compatible with the criteria of the World Trade Organisation (WTO) founded during of the Agreements of Marrakesh in 1994: no connection with the price and production levels, not any distortion effects on the world markets (or at least very reduced), not any “hidden” direct subsidies.

There are already some European instruments of agricultural policy that contribute to the support of multifunctionality, for example: compensatory allowances at the underprivileged zones and zones with specific environmental limitations; aids to the production methods which ensure the protection of the environment and the sustainability of the agriculture; the conditions of horizontal application of the direct subsidies, like the eco-conditionality or the modulation.

So, the current model of support which includes compensatory allowances and agro-environmental measures can be adapted in order to provide aids that can promote multifunctionality. But there are some significant weak points: (i) the whole number of measures of rural development concerns only 10,2 % of the budget of the CAP 2000-2006, and they are co-financed by the States, while the market subsidies take the largest part of the budget and they are completely financed by the EU; (ii) one can still hardly establish any values of reference (for example for the environmental questions), as well as indicators acceptable by all the States and the Regions and hardly any mechanisms of control of the realization of measures.

Some analysts (Atance Muñiz and Al, 2001; Diaz Patier and Al, 2001) raised the questions of public and private intervention concerning the problems of co-production of goods or of market errors, of the analyse of technical and economic viability of only one subsidy by farm (financial form), and of the checking of the realization of the contracts established between the farmers and the administration or eventually between the farmers and other socio-economic partners.

### *3.2. - The various levels of reception of the multifunctionality in Greece and Spain*

The favourable reception of multifunctionality in the Mediterranean countries is also located in the context of increasing liberalization in the European agriculture. The normative approach dominates in the frame of the general idea of maintaining the public aid to the agriculture. But the relative importance of the objectives of the multifunctionality vary according to the political actors, just like the motivations which direct them.

In Greece, the adoption of a new approach and perception favourable to the multifunctionality of the agriculture, founded on the national strategy of development, is presented like one of the principal objectives of the Ministry of Agriculture. Among the principal intentions of the national strategy over the period 2000-2006 is "the transfer of importance of the current agricultural policy from strict sectorial approach to a more extended dimension and in connection with the space, for a social and economic reorganization of the countryside. The political objectives which cross all the axes of intervention and which determine the central strategy of development are based on the protection of the environment and the guarantee of economic and social cohesion in the countryside “(Ministère d’agriculture, 2000).

In general terms, the policy which concerns the rural development and the multifunctionality is a very complex one, connected to several fields and it requires a coherent vision of the

situation of the rural world, and overall integrated actions. However, measures about rural development and the new approach of the multifunctionality seem presented in a way rather vague and ambiguous by the agents of the Ministry of Agriculture, even if they put the accent on the required synergy of objectives between various axes.

Greek State claims to be the manager of the CAP, with the Ministry of Agriculture as the central body of planning. The new organization chart of the Ministry of Agriculture envisages the establishment of four new institutions responsible for the implementation of the actions of the 3rd Community Package of Support (agriculture, fishing, Leader+, plan of rural development) and of one paying authority of a semi-official legal status in addition to a whole series of specialized services. The competences of the different services are often juxtaposed; a situation that reveals one of the most serious problems of the country: its institutional problem. The recent Greek administrative reform promotes also the transfer of competences from the State to the Regions in order to reform the administrative structures that remain very centralised. The collaboration and the articulation of competences between the central and the other levels (the level of Region and this of the Auto administration of A and B degree) are not always clear and conflicts between the levels can appear.

In Spain, the current team of the Ministry of Agriculture, the right-wing party (Popular) that is in the power and its supporters (the big productivist or of independent means producers) support a liberalist system in which the agriculture remains a commercial and profitable economic sector. Within this framework, multifunctionality is a way to increase the economic and competing support of the agricultural activity, and so the priority remuneration is applied to the productive function. For these agents, the redistribution of public aids between the various categories of farmers would go against the competition of the Spanish producers in the market, and consequently the government pushed back its application to a future legislature.

The socialist party of national opposition (PSOE) exposes two currents. For the first one, the development of a viable professional agriculture is the key element of the sector's competitiveness in the context of commercial liberalization. For the second one (less homogeneous and powerful) the heterogeneous and regionalized models of the Spanish agriculture are better adapted to the physical and economic regional context and to the economic situation of liberalization. This last trend is close to the "ruralist" trend in the Ministry of Agriculture for which the multifunctionality would be the only instrument that may limit the effects of structural adjustment of the agricultural production in the countryside. Its objective is the development of the countryside through the maintenance of a social and economic environment, accompanied by the protection of the landscape and the respect of the environment.

At the Regions level, we can distinguish on the one hand some Regions that look for a new legitimacy for the aids to the agricultural production policies and on the other hand some others that look for a diversification of support and for a redistribution of aids (environmental or rural development objectives).

In Greece as well as in Spain, for agro-alimentary industry the multifunctional approach is mostly an alibi to maintain or multiply the aids to the agricultural sector. The aim of the aids would be then to maintain a population to the rural areas as well as to protect the soils and the landscapes with economic value.

#### **4. Conclusion: special features of the multifunctionality in rural Mediterranean areas**

Multifunctionality at a EU level can play a significant role as an integrating element of the support policies to the agriculture concerning future CAP: institutional (revision of the Agenda 2000 reform, amplification of the EU), multilateral (WTO negotiations, aperture of the international markets), and relevant to market questions (new social requests relating to

the agro- alimentary products, like quality and safety, origin guarantee, taking into account animal wellbeing and environmental friendly production methods). Aids and mechanisms of application always lack a clear definition, even if one can be based on existing elements, such as compensatory allowances of underprivileged zones.

Rural Mediterranean areas are characterized by a series of agro-climatic and socio-economic features, which make them special within the EU. Poor yields and a diversity of sizes, where small-scale farms prevail, explain the low average economic dimension of farms. In addition, geographic diversity and a certain orientation of the productions explain the particular diversity of the agricultural situations even within the interior of the same regions. Lastly, the traditional or renewed importance of family agriculture and the phenomenon of family pluriactivity, make that the existence of farms is closely related to that of the rural and urban areas and to the systems of social organisation where they are integrated. In this context, new dynamics of qualification and employment strategies must be taken into account. Multifunctionality as an integrating phenomenon is not far from the current models of Mediterranean agriculture functioning but the financing, which could be associated with the concept, cannot be dissociated from the structural deficits of this agriculture.

The structural transformation of the agriculture co-financed by the European funds is currently considered to be insufficient because of the budgetary limitations and very significant social inertias, even if the management of aid distribution also encountered significant problems of efficiency and equity. In a favourable context, Spain was able to take earlier advantage of aids than Greece, which has been seriously committed to a policy of structural and institutional modernization only after CAP's reform in 1992. Distribution of funds and measures at a regional level were also more efficient in Spain, because of its older decentralized administrative system and a more clearly defined role of the various institutions (with the Ministry of Agriculture as a coordinator in both countries). Otherwise, important divergences between the displayed objectives of the two States in their national policy and those of the EU explain their different evolution.

As to the attribution of the compensatory allowances, it seems to be discriminatory when it comes to some essential aspects of the Greek and Spanish agriculture such as small producers, underprivileged areas and non agro-industrial Mediterranean products.

Greece and Spain as well as some other concerned areas can form a common front in EU's negotiations. But, the demands of the same specific Mediterranean products creates tensions and competition in particular at the regional level, that it will be necessary to continue handling in order to preserve the common interest.

In this context, the new orientation of the CAP after the Agenda 2000 towards the Rural Development and multifunctionality becomes first and foremost a new financial stake for all the partners, since the aids will not be intended to support incomes anymore but to internalise public goods. In the Mediterranean world and in a context of increasing liberalization in economy, the objectives of multifunctionality will be defined in a voluntarist way, according to regional and local special features and to implied political agents. It also concerns the preservation of public aids at the agriculture. The displayed purposes will be used to support on the one hand the competitiveness of agriculture (price, quality, costs reduction etc.) through the improvement of conditions of the productive function, and on the other hand, the social (economic and social cohesion) and environmental durability of the countryside through the support of other functions of agriculture.

The new legitimacy of this agricultural policy advocated in Mediterranean world relates to the whole rural population and not only to the agricultural productive sector. The stakes of aid deployment are also the search for a right sharing (modulation) and for a market policy, which can integrate at the same time society's agri-environmental requests (eco-conditionality), and coherence with rural development.

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