

Rural Development: From Practices and Policies towards Theory

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Many scientists are finding it difficult to come to grips with the new model of rural development that emerges slowly but persistently in both policy and practice. Nevertheless, we believe a paradigm shift is also taking place at the level of associated theory. The modernization paradigm that once dominated policy, practice and theory is being replaced by a new rural development paradigm.

What is this rural development paradigm? Why is it emerging and what makes it new? Any critical discussion of these issues must begin with the acknowledgement that, as yet, we have no comprehensive definition of rural development (Clark et al. 1997; Nooy 1997). Moreover, at the moment, it would not be possible to construct any comprehensive and generally accepted definition. The notion of rural development has emerged through socio-political struggle and debate. Once it becomes an established part of the current discussions that surround agriculture and the countryside, it can be expected to trigger new controversies. A recent study amongst some of the main players in significant arenas has shown that while some see it as a process that will end with the final expropriation of farmers, others regard it as a force that will revitalize agriculture (Van Broekhuizen et al. 1997b). To some observers rural development is no more than an addition to the existing pattern of agriculture and rural life; others, however, anticipate that both will undergo major reconstruction.

The hard core of what constitutes the essence of rural development will emerge as the strength, scope and impact of current *rural development practices* become clear. Much will depend on the capacity of scholars to develop an *empirically grounded theory*. With this special issue we intend to contribute to the elaboration of new theories that adequately reflect and represent the new networks, practices and identities embodied in rural development practices throughout the European countryside.

Rural development as a multi-level, multi-actor and multi-faceted process

If convincing and more comprehensive definitions are to emerge, it is essential that rural development be recognized as a multi-level process rooted in historical tradi-

tions. At all levels, it has emerged as a series of responses to the earlier paradigm of modernization. The first level is that of the *global interrelations between agriculture and society*. It is clear that there has to be a realignment of agriculture to meet the rapidly changing needs of our European society (Delors 1994; European Commission 1996; Depoele 1996). The era when cities merely expected the surrounding countryside to supply them with cheap food is over. Today, there are new needs and expectations (Marsden et al. 1993; Countryside Council 1997; Van der Ploeg 1999). It is widely recognized that European agriculture has the capacity to produce a broad range of so-called 'non-importables' or 'public goods' such as beautiful landscapes and natural values. It is also able to make an important contribution to regional employment particularly in those areas that lag behind in development terms. It is clear that Europe needs its green areas and the agricultural systems embedded in them. But it is equally clear that the green areas and their agricultural systems will have to be reorganized to meet new needs and expectations.

At the global level rural development is also related to a general restructuring of the economy, which has led to substantial changes in the patterns of interaction between society and the firm. Economic power and success are not necessarily linked (any longer) to the scale of operations. Firms have abandoned models based on economies of scale and vertical integration and increasingly opt for more flexible patterns of organization (Piore and Sabel 1984; Harrison 1994). Rural development practices can in part be seen as a response of the farm enterprises to these general restructuring trends.

Second, we have to consider that rural development means *a new developmental model for the agricultural sector*. Until the early 1990s, scale-enlargement, intensification, specialization and, within some sectors, a strong trend towards industrialization were the parameters that circumscribed developments in the agricultural sector. The rural exodus precipitated by declining farm numbers and a sharp drop in employment opportunities was seen as the inevitable outcome of this model. In addition, regional disparities increased and tensions grew between farming on the one hand and landscape, nature, environment and product quality on the other (Knickel 1990; Meyer 1996; Roep 2000).

Whilst caricatures of the earlier modernization paradigm should be avoided, it is nevertheless clear that the development model it entails is increasingly at odds with society's expectations of agriculture and with the interests, prospects and perspectives of an increasing segments of the agrarian community.² To put it briefly, rural development can be seen as the search for a new agricultural development model. It is impossible and undesirable to refer to rural development as a new 'blueprint,' but the understanding of what elements should comprise this new model are emerging fast. We also have more knowledge available on the methods needed to construct rural development both at the practical and the theoretical level (Mannion 1996; Saraceno 1996).

In this specific attention has to be given to the matter of *synergy*. It is remarkable that in many rural development experiences creating cohesion between activities, not only at farm level but also between different farms or farms and other rural activities, appears to be a crucial, strategic element. Particularly important are the (potential) synergies between local and regional eco-systems (Guzman Casado et al. 2000), specific farm styles, specific goods and services, localized food-chains

and finally, specific social carriers and movements (Saccomandi and Van der Ploeg 1995). The centrality of synergy to rural development appears to embody a model of agricultural development that is fundamentally different to the modernization paradigm. Whilst modernization fostered an ongoing specialization in agricultural production and envisaged a segregation of agriculture from other rural activities, in the new rural development paradigm mutual benefits and 'win-win situations' between different activities appear both strategic and desirable.

Third, rural development can be operationalized at the level of the *individual farm household*. At this level, rural development emerges as a redefinition of identities, strategies, practices, interrelations and networks. Sometimes this redefinition rests on an historically rooted but marginalized cultural repertoire. In other situations it is based on highly 'market-oriented' responses that embody a general or partial reconceptualization of what farming should be in the context of the new ties emerging between town and countryside (Van Broekhuizen et al. 1997a,b). Here the issue of synergy reappears. How, why, to what extent and under what conditions can the way in which activities are combined in a rural enterprise positively affect costs, benefits, risks and prospects? The co-ordination and allocation of family labour between different (agricultural and non-agricultural) activities in the pluriactive farm household is an important source of synergy.

Four, rural development should be defined at the level of *the countryside and its (economic) actors*. Although the importance of agriculture varies considerably between the rural economies of one European country and the other (Abresch et al. 1996; Strijker 1997; Bollman and Bryden 1997), it is clear that in general its significance is declining. We can conclude that it is not only at the level of the inter-relationship between society and agriculture, but also at the level of the countryside as a well-defined social and geographical space, that new forms of articulation are to be developed (Lowe et al. 1995). The 'rural' is no longer the monopoly of farmers.³

Within the framework of rural development new forms and mechanisms for co-ordination and conflict management must be developed. This will become increasingly important as new forms of farm-based rural development activities emerge and different actors compete for access to opportunities and resources in new arenas such as rural tourism and nature and landscape conservation. Professional organizations claim conservation as their prerogative and set out to create 'wild life reserves' whilst farmer organizations strive for farmer managed landscape and nature values.⁴ It is also possible that a new stratum of non-agricultural land-owners will emerge such as rural dwellers and 'hobby farmers' who will also have a key role to play in the management of nature and landscape (see the case of Denmark in Primdahl 1999).

Potential tensions also surround the new drive towards the production of high quality produce and regional specialties. Who will move forward and profit from this new development? Will it be large-scale agribusiness or new, grass-root farmer co-operatives? Is division of labour and co-ordination possible between these various actors? Any search for a new development model for agriculture must proceed from a careful scrutiny and analysis of the new forms of co-operation and contradictions that are emerging between agricultural and non-agricultural economic actors.

Five, there is the level of *policies and institutions*. There is considerable variation in the rural development policies and programmes of different European countries.

Whilst there are European Union policies and programmes, such as 5B and LEADER, for example, there are also many different national and regional programmes. The practices that are emerging do not only relate to specific rural development programmes. Interactions with non-specific rural development policies at times are more important for their development. In addition, each European country offers a different institutional setting for the production, transformation and marketing of agricultural goods and services. Some of these settings may be favourable to rural development while others may be irrelevant or even have a negative effect (see Banks and Marsden 2000). There are three aspects to be dealt with here. First, the correspondence between different policies and programmes, second the synergy between them and specific regional constellations, and finally the effects of particular institutional settings on the processes involved in rural development.

It is the complex institutional setting of rural development that makes it a *multi-actor process*. The drive towards a decentralized rural policy approach (Ray 2000), in which locality and the newly emerging relations between the local and the global are major design principles may serve to strengthen the process. However, as several contributions to the recent *Sociologia Ruralis* issue on the LEADER programme make clear, this is by no means necessarily the case (see especially Shucksmith 2000). Within rural development programmes mechanisms of social exclusion also occur and policy programmes at times are used by local elites to restore their legitimacy or in the interests of clientelism.

Finally, rural development is *multi-faceted* in nature. It unfolds into a wide array of different and sometimes interconnected practices. Among them are landscape management, the conservation of new nature values, agri-tourism, organic farming and the production of high quality and region-specific products. Others activities being increasingly adopted by family farms include innovative forms of cost-reduction, direct marketing, and the development of new activities such as integrating care-activities into the farm. Involvement in these types of enterprise results in new forms of social cohesion and, in many cases, a variety of activities are combined in an integrated way. Farm units considered 'superfluous' in the modernization paradigm acquire new roles and new interrelations are established not only with other farm enterprises but also with different segments of the urban population.

This multi-level, multi-actor and multi-faceted nature implies that rural development relates to modernization as a *paradigm shift*. Perhaps the clearest expression of this can be found in the way many previously highly specialized, mono-functional farms are being transformed into new, multi-functional enterprises.⁵ Multifunctionality has brought new practices and networks into being (see Knickel and Renting 2000). What we now need are new theories that adequately reflect these new networks, practices and identities.

The heuristics of rural development

Rural development is not only about interests, contradictions and struggles. It is *born out* of the interests, struggles and contradictions that emerge at each of the levels discussed above. On all levels constellations have emerged that have proved counter-productive. This is the case at the level of farm households, the agricultural sector as a whole, and at the level of agricultural policy where the high social costs of unem-

ployment and pollution, for example, are serious problems. Rural development is on the agenda precisely because the modernization paradigm has reached its intellectual and practical limits. Perhaps the most dramatic expression of this has been the growing *squeeze on agriculture* and therefore on the rural economy in general.

In macro-economic terms agricultural development in the period 1950–1990 can be summarized as follows.⁶ The Gross Value of Production (GVP) – corrected for inflation – grew constantly from 1950 to the late 1980s. From the early 1990s there was a degree of stabilization – perhaps even stagnation and decline. There were many reasons for this. The milk quota system (and more generally the increased capitalization of production rights on separate markets or through increased land prices), the falling price of wheat, and limited amounts of ‘environmental space’ in some areas meant that it was impossible to expand total GVP any further. The integration of Central and Eastern countries into the EU and continuing WTO negotiations are likely to aggravate this tendency. At the same time, European agricultural systems have experienced a general, although highly differentiated, increase in monetary costs. This trend is closely associated with the growing use of external inputs and with new and more expensive technologies – trends that were the direct result of the modernization project. In the 1990s costs increased further as a result of a growing concern for the environment, animal welfare and food safety. This resulted in a ‘regulatory treadmill’ (Ward 1993) of new rounds of obligatory investments. A sharp increase in transaction costs (see quota system) and the cost of energy has also led to additional costs.

These changes have been summarized in Figure 1. They indicate that a basic shift has taken place. The ‘room’ to compensate factors of production – that is the difference between GVP and costs, continued to grow until the late 1980s when the ‘squeeze’ on agriculture began and total agrarian income began to fall in real terms. Whilst this shift did not appear everywhere at the same time, it suggests that rural development can be understood as a response to the squeeze that followed the modernization of European agriculture. It is through rural development (see dotted lines in Figure 1) that new sources of income were subsequently mobilized in order to augment an otherwise stagnating GVP. Rural development has also facilitated the elaboration and implementation of new, innovative methods to combat increasing costs. In other words: *rural development is reconstructing the eroded economic base of both the rural economy and the farm enterprise.*

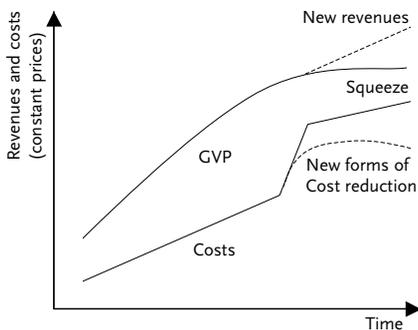


Figure 1: Post-war agricultural development and the contours of rural development

This is also why initiatives have been taken and are sustained by farming families themselves. For them, rural development represents a ‘way out’ of the limitations and lack of prospects intrinsic to the modernization paradigm and the accelerated scale-enlargement and industrialization it entails. Briefly, we can say that rural development represents the well-understood self-interest of increasing sections of the European farming population.

The rural livelihood framework that has emerged from the debate on sustain-

able rural development (Chambers and Conway 1992; Farrington et al. 1999) is especially useful for analyzing rural development practices as actively constructed household strategies. It provides a useful overview of the evolving inter-relationships between the capabilities and capital that exists at farm household level, the institutions and measures that interact with them, and the wider political, economic and social context (Kinsella et al. 2000). In this approach rural development practices are seen as a set of newly emerging livelihood strategies developed by rural households in their attempt to increase the 'pool' of livelihood assets at their disposal.

It is clear that rural development within Europe is largely an autonomous, self-driven process, although currently it is being increasingly facilitated and strengthened by new policy interventions and programmes. A particularly important implication – especially from a methodological point of view – is that it is possible to identify many rural development practices *avant la lettre* – that is before rural development became part of political discourse – in the reality of the European countryside. In this special issue, we will focus on rural development *practices*, rather than rural development *policies* as is currently the case in most sociological analysis. Without wanting to detract from the relevance of the latter, we must be aware that, in this particular case, the *practical* is not triggered by the *political*.

From this it can be suggested that the concept of rural development is above all a heuristic device. It represents a search for new futures and reflects the drive of the rural population. It goes beyond modernization theory where the problems of agriculture and the countryside were considered resolved. Definitive answers, however, are missing and if offered should be mistrusted. Rural development theory is not about the world as it is – it is about the way agriculture and the countryside *might* be reconfigured. By stressing the dialectics between the real and the potential (Kosik 1976), rural development theory deviates intrinsically from the determinism of modernization approaches (Law 1994).

Expressions of rural development

Rural development implies the creation of new products and services and the associated development of new markets. It also concerns the development of new forms of cost reduction through the elaboration of new technological trajectories, and the production and reproduction of specific, associated knowledge bases. Within this context what has proved strategic are the markets and forms of cost reduction that coincide with the needs and expectations of society at large. Therefore, rural development also implies a reconstruction of agriculture and countryside and their realignment with European society and culture.

Rural development involves increasing the value of the product generated by the agricultural enterprise by constructing new linkages with markets that, as yet, are disconnected from or inaccessible to farmers. Here, Long's observations (1977, p. 111) are particularly relevant: "Crucial for . . . entrepreneurial activity is the discovery of new channels for conversion and [especially the construction of] breakthroughs between spheres [of circulation]." Markets that reflect the new needs of society at large are obviously the most relevant in this respect. New markets that are articulated through rural development activities correspond to a range of underlying mechanisms (Jimenez et al. 1998). In some cases new interlinkages are con-

structured between (private) market parties, as is the case, for example, with short supply chains for organic or quality products and, to a large extent, for the agri-tourist market. In other cases markets are essentially political constructions, notable examples being nature conservation schemes and on-farm care supply that is financed through the state budget for health.

The developments that have taken place in the creation of new goods, services and markets are impressive in their diversity (see Broekhuizen et al. 1997; Junta de Andalucia 1996; DVL 1998; Stassart and Engelen 1999 and Coldiretti 1999, for a wide range of examples). In this special issue rather than trying to document the range of activities involved, we have decided to discuss a few specific cases of relatively unknown but, from a theoretical point of view, extremely interesting examples of rural development practices. Each article analyses one or more cases from a specific theoretical point of view, and in this way contribute to what might become the contours of a new rural development theory.

One of the examples discussed in this issue concerns *farmer-managed nature and landscape management*. Although all over Europe there is considerable experience in this field (Baldock and Mitchell 1995; Potter 1998), we focus here on the *Tir Cymen* scheme presented by Banks and Marsden. *Tir Cymen* or in Welsh 'tidy land,' is exceptional in that it involved an explicit 'learning curve.' The first phase of the scheme covered about 30% of rural Wales. Experiences obtained during this phase were later taken into account in the second phase when the scheme is being upgraded to the national level. The environmental and socio-economic impacts of *Tir Cymen* have been impressive both for the farms concerned and for the 'spin-off' effects it has had on other sectors of the rural economy. The *Tir Cymen* example stresses the importance of locality. It is precisely the interaction between a regional scheme and the characteristics of a regional agriculture that has effected this unique level of impact.

Brunori and Rossi's discussion of the *Costa degli Etruschi wine route* in Tuscany provides an Italian example of one of the hidden mechanisms of rural development practice – the construction of *synergy*. The combination of different fields of activity and the consolidation of new constellations on different levels has had an enormous impact on what was essentially a rapidly eroding rural economy. The analysis makes it very clear that the construction of synergy and the extra impact derived from it goes beyond the individual farm enterprise. It depends on the *collective action* of networks and 'partnerships' that involve many different types of rural actors. This is very different from the previous modernization paradigm that heavily emphasized the 'entrepreneurial' capacities of individual farmers.

Both the Etruscan wine route and *Tir Cymen* provide excellent examples of the new relations emerging between agriculture and society. They are also impressive responses to the squeeze being exerted on agriculture. The same applies to *pluri-activity*, a phenomenon that we believe should be reconsidered within the context of rural development. Once an expression of poverty and 'insufficient' agriculture (Etxezarreta 1985), pluriactivity is re-defining the relationship between town-countryside in an entirely new way. Pluriactivity has become an expression of wealth and as such is increasingly associated with the transfer of resources from the urban to the rural economy. It represents a new form of social capital and makes it possible for farms that would have been forced to disappear to remain in business.

Drawing on the Irish example, Kinsella et al. show that almost 45% of farms are sustained by incomes generated outside agriculture, and that this share is expected to increase further. Off-farm incomes are generally far superior to those obtained through farming, but in spite of this there are strong indications of continuity in agricultural activity for the coming decade. Pluriactive rural households consciously choose to build up a livelihood in the countryside and farming, whether as hobby, cultural identity or family commitment, continues to form an essential part of this way of life.

Why should pluriactivity be considered a constituent element of rural development? There is a straightforward answer. The attractiveness of the countryside induces pluriactivity and on a growing scale. However, pluriactivity is also responsible for keeping the countryside attractive: by making it possible for people to stay in rural areas it ensures there is a sufficient basis to maintain for local services and fuel economic development. It is important that pluriactivity be seen as an integral part of rural development. For rural households it has proved an effective response to the continuing squeeze on agriculture. The Irish case makes it very clear that farming, combined with other gainful activities, has become a broadly accepted livelihood strategy for rural families that enables them to make the best use of the *multiple set of opportunities* offered by agricultural and labour markets. It is the simultaneous participation in different spheres of social and economic life that might also explain the role of 'bridge' or 'broker' that pluriactive households often play in rural development. Pluriactivity can no longer be seen as heralding the demise of the farm, rather it has become one of the new pillars supporting European farming.⁷

The cases referred to above have a considerable impact on the agriculture of their different regions. Socio-economic impact – measured in terms of extra income or extra employment at different levels – is a theme that reoccurs in every article in this issue. If rural development matters, it matters because it has regenerated income and employment opportunities that have been lost as a result of the squeeze on agriculture. In this sense, rural development provides an important *defense* for both European agriculture and the countryside in which it is embedded. That is not to say that all rural development practices and policies will be successful in this respect, nor that income and employment are the only important aspects of rural development. They must be critically examined so their potential contribution can be adequately assessed. In their closing article, Van der Ploeg and Renting attempts such an analysis.

Reconfiguration of rural resources

Rural development is also concerned with the reconfiguration of rural resources. Land, labour, nature, eco-systems, animals, plants, craftsmanship, networks, market partners, and town-countryside relations, all have to be reshaped and recombined (Whatmore 1998; Van der Ploeg and Frouws 1999). In the context of the modernization paradigm these types of resources are seen as increasingly obsolete and external to agricultural production. It is therefore clear that there is a need for a new rural development paradigm that can help clarify how *new resource bases* are created, how the irrelevant is turned into a value and how, after combining with other resources, the newly emerging whole orientates to new needs, perspectives and interests.

Many articles in this volume document these phenomena. Ventura and Milone refer to small *Chianina* breeding farms in Umbria, Italy that had few prospects until they were linked through new networks to recently emerging *farm butcheries*. In turn these butcheries have become nodes in new networks that now link the countryside to a growing urban clientele. This development, viewed from the perspective of the modernization paradigm, was destined for marginalization. However, set in a rural development framework it shows considerable potential. The essence of the strategy lies in the recombination of resources. Within the farm these include the local *Chianina* breed, balanced fodder, family labour and knowledge. Outside the farm there is the broader networks within which agriculture is embedded such as a stable clientele and communal slaughter houses. Together, these factors result in a high quality product and substantial advantages in transaction costs.

Maybe the most evident example of the reconfiguration of resources and networks in rural development is the emergence of *new food supply chains*. These are a commonly recurring phenomenon in several fields of rural development centred around distinctive product qualities including organic farming, high quality production and region-specific products. In other situations their main purpose appears to be to secure a higher share of added value by eliminating intermediaries. In this issue the potential role of food supply chains in rural development is discussed by Marsden, Banks and Bristow, who draw on the Welsh experience of *Llyn beef*. Their analysis indicates that new food supply chains embody a fundamental shift away from the anonymous producer-consumer relations that characterized the 'industrial mode' of food production in the modernization epoch. There appears to be a general trend towards 'short-circuiting' long, complex and rationally organized industrial chains by constructing transparent chains in which the product reaches the consumer with a significant degree of value-laden information about its provenance and quality attributes.

Knickel and Renting's contribution discusses the *Rhöngold organic dairy* in Germany and makes clear that the reconfiguration of resources and networks goes beyond food commodity production and indeed that it involves new linkages between the rural areas and society at large. What started with the construction of a new organic dairy and the opportunity for several farms to convert to organic production, soon became embedded in a much broader 'regional offer' of rural development activities, including nature conservation, region-specific products and rural or green tourism. The article gives a clear overview of the range of functional relationships associated with rural development, and indicates that a multifunctional agriculture can play a key role in enhancing their internal cohesion and degree of integration (see also Knickel and Mikk 1999; Knickel 2000). Without doubt there are new societal demands for tourist experiences, quality products, and an environment high in nature value; the same demands represent new opportunities for farmers and other rural entrepreneurs. In many rural areas, these potentials can only be effected if there is a realignment of sectoral activities to strengthen the inter-relatedness of activities. Agriculture can play a crucial role here, since the diversity of natural habitats and the scenic beauty of landscapes are closely related to the type and intensity of land use and provide a new resource base for the development of rural or green tourism.

Exploring the 'new,' reconsidering the 'old'

Entwined in rural development discourse is a reconsideration of the multiple and heterogeneous realities of the European countryside. Many of these realities have been neglected or forgotten. Here too, there is a paradigm shift. The 'images and realities' (De Haan and Long 1997) perceived as insignificant within the context of modernization theory might re-emerge in the context of a rural development paradigm. In this perspective they might reappear as highly promising for further endogenous growth particularly in favourable policy environments.

Rural development is not just about 'new things' being added to established situations. It is about newly emerging *and* historically rooted realities that are currently reappearing as rural development experiences *avant la lettre*. Rural development policies should focus on strengthening proven constellations and supporting the emergence of new ones. A particularly decisive element will be the combination of the 'old' with the 'new.'

Several articles in this special issue reconsider specific realities that have been largely ignored, but which are currently being revalorized as potential cornerstones of rural development. De Roest and Menghi, for example analyze the production of *Parmigiano Reggiano* – the well-known Parmesan cheese and show how this particular reality is significantly different from surrounding constellations such as those associated with the production of 'industrial' and 'Grana' cheese. The higher milk prices generated by the demand for the superior and generally acclaimed quality of the Parmesan cheese and its specific cost structure gives rise to a total sector employment that is twice as high as it would have been if there had been no *Parmigiano Reggiano* 'fabric.' Substantial spin-off effects are also found in the associated transformation and delivery industries.

The 'fabric' we referred to above clearly represents a 'deviation' from modernization logic. It involves local networks that inter-link small- and medium-size farms with co-operative cheese factories whose size is microscopic when compared to the scale of operation of large milk processing multinationals. The labour process on the farm and in the cheese factories is predominantly artisanal and the developments taking place are primarily of an endogenous nature. Many of the features that characterize this farming activity are typical of the (new) rural development practices found in many places in Europe, making clear that firmly rooted experiences such as Parmesan cheese production should be seen as an integral part of rural development. Time and again we see that rural development is about: the construction of new networks, the revalorization and recombination of resources, the co-ordination and (re-)moulding of the social and the material, and the (renewed) use of social, cultural and ecological capital.

The same applies to *farming economically*, a strategy aimed at cost containment and the improved use of internal resources. Van der Ploeg discusses this strategy with reference to Friesian dairy farming. Here too modernization has involved a clear 'script,' prescribing and sanctioning the development of a particular type of farm enterprise. Key elements were an increased use of external inputs, recourse to the newest and often most expensive technologies, and the reconfiguration of the farm in order to accommodate them. For many farms this 'script' implied self-marginalization and created the conditions for entrapment should prices become

unstable. Farming economically emerged as an actively constructed response to these threats. Apart from being an effective line of defense against the squeeze on agriculture it also encourages a low-external-input agriculture approach which can contribute to environmental sustainability. In contrast to the farming styles associated with the 'vanguard farm' modernization model, the strategy of farming economically has proved to be a good starting point for the simultaneous development of other rural development practices.

Until recently, farming economically was something of a *hidden* practice. Within the modernization paradigm there was little scope for valorizing the specific features of such a farming style. Given a new rural development paradigm, however, it might well emerge as a major *novelty*, indicating new trajectories that reach far beyond the niches from which it arose.

The centrality of agriculture in rural development

In rural development discourse and rhetoric, strengthening the rural economy is often associated with the continual introduction of new, non-agricultural enterprises. Moreover, these new activities are frequently conceived as originating in non-rural centres. There is an entrenched assumption that the agricultural sector is incapable of generating rural renewal (Broekhuizen et al. 1997b). Although we agree that rural development processes can involve many different actors, we reject the notion that rural development can only proceed through the 'expropriation' of agriculture. As this special issue documents, rural development can be constructed very effectively using the innovativeness and entrepreneurial skills present in the agricultural sector itself.

The 'competitiveness' of agriculture in the rural development arena can be illustrated in many ways. First, farm households have access to the resources and experience necessary to reconfigure old and create new constellations. Second, within the sector it is possible to develop new practices step-by-step. This substantially reduces risk and enables a process of 'learning by doing' (Dosi 1988). The third factor is the capacity of farmers to network and operationalize the networks to which they, historically, belong. This can have startling results as Bagnasco (1988) illustrates for Northern Italy where an entirely new small- and medium-business sector has developed. All these factors contribute to the fact that rural development activity, rooted in agriculture, is characterized by relatively low transaction and transformation costs. In the Dutch dairy industry, for example, introducing a new product onto the market can cost as much as Euro 25 million. Through the agency and networking of farmers the development of new regional products can be achieved much more economically. Precisely by making use of these capacities the agricultural sector can and will continue to be a 'seedbed' for rural development.

The changing role of agriculture in rural development implies, of course, the need to reconceptualize the farmer. During the modernization period farmers were increasingly represented as – and *de facto* remoulded into – agrarian entrepreneurs. On the farm it was assumed that the farmer would specialize, continuously try to increase the scale of his operation and combine this with intensified production. The farmer-entrepreneur was also required to orient the farm to the 'logic of the market.' Inputs played a particular role in this market integration and meant that the

agrarian entrepreneur was less concerned with the mobilization of internal resources than with the mobilization of resources through respective markets (see Figure 2). Consequently, there was a sharp increase in the degree of commoditization and output became increasingly dependent on a few specific markets. There was also less interest in re-using part of total production within the farm itself. Finally, the technical efficiency of the conversion of resources decreased margins per unit of end product. These negative features were frequently obscured because the continuous and rapid increase in scale of operation secured an acceptable income in the short run.

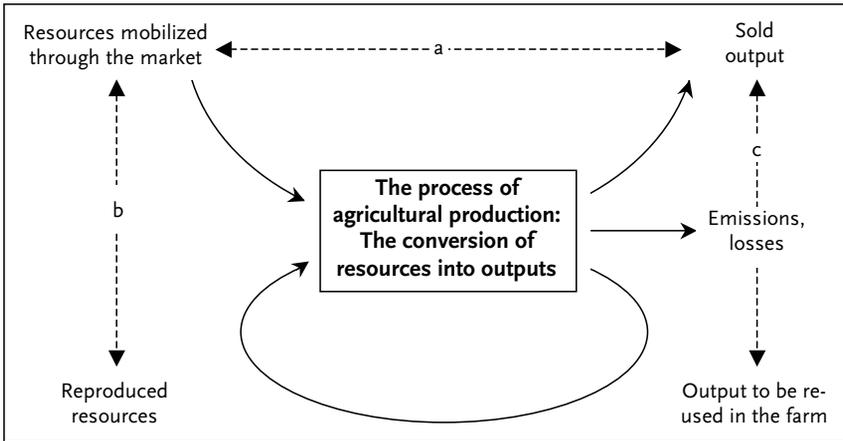


Figure 2: *The mobilization of resources and their conversion into different values*

The model of market integration is increasingly at odds with developments taking place on markets and in policies. Several studies indicate that, in the present context, farm households that have little flexibility as far as income generation is concerned and who work within specialized, capital-intensive farming systems are the most vulnerable (Buckwell 1997; Van der Ploeg 1999). Strong dependence on a few markets, often linked to high levels of indebtedness means that farms are unable to adjust to fundamental changes in socio-political context. The result is a paradox: regions with relatively large proportions of vulnerable households despite favourable farming conditions, the proximity of good consumer markets, and a predominance of larger farms with ‘modern’ farm management (Knickel 1994).

Current rural development practices contrast sharply with the above. Farmers work actively to make their farms less dependent on the markets for external input by paying greater attention to internal resource flows. They exploit the potentials of low-external-input agriculture and develop new productive activities using their own (re-valued) resources. Given the deteriorating prices of many agricultural products such strategies result in more economical and less vulnerable farm units. The search for more environmentally sound ways of farming tends in the same direction. Farmers seek ways of reducing high levels of external input and try to develop new forms of farmers’ co-operation or pluriactivity on the bases of new, non-commodity circuits. In this way farmers are able to ‘cushion’ their enterprise against the pressures of a globalizing agricultural market.

Another important 'reshuffle' has occurred on the output side. New products and new services have meant a diversification towards new markets and this contrasts sharply with earlier trends towards specialization. These developments offset the adverse tendencies present in the big commodity markets. More 'robust' enterprises, based on a wider range of economic activities, are becoming increasingly significant. Finally, at the heart of the conversion process itself, critical but hidden changes are taking place. The cases of farming economically and the example of *Tir Cymen* discussed in this issue are clear examples that technical efficiency is increased again.

Several recent contributions to economic theory can help us understand the mechanisms underlying the changes mentioned above. One of these is the concept of 'economies of scope' employed by Saccomandi (1998) in his seminal work on neo-institutional market economics. Theoretically, economies of scope can best be understood as an alternative to economies of scale (Panzas and Willing 1982). Economies of scope can be found, for example, in 'multi-product firms' – that is in enterprises that use the same resources to produce two or more interrelated goods or services and in so doing effect a considerable reduction in the cost of each unit produced. As Scherer (1975) has pointed out: "As cases of indivisible investments and inputs are common in firms, joint production of a number of products allows for better utilization of both inputs and outputs." The concept of a 'techno-economic paradigm' used in innovation studies may also be helpful in this respect. It explains the occurrence of a plurality of development paths in terms of different 'knowledge bases' or "sets of information inputs, knowledge, and capabilities that inventors draw on when looking for new solutions" (Dosi 1988).

Taken together, the interrelated movements away from the 'script' of agricultural entrepreneurship, reflected in these newly emerging rural development practices can be understood as a kind of *repeasantization* of European farming. The highly diversified flow of outputs, the re-grounding of productive activities in relatively autonomous and historically guaranteed types of reproduction, and an increasing control over the labour process, results in higher levels of technical efficiency. The contrast with the highly specialized, highly dependent, and increasingly vulnerable farm enterprises typical of the modernization scenario makes clear the far-reaching nature of the paradigm shift that is taking place. It also outlines the contours of a new identity. A number of critical factors will probably be decisive for rural development. These include the *control* farmers exert over important resources, their *capacity* to reconfigure and remould these resources and the links between farmers and other groups in society facilitated through the development of new networks. Finally, there is also the farmers' *determination* to maintain control and their willingness to develop new capacities to ensure they do so. The old and well-known *resistance paysanne* re-emerges in the context of rural development and provides the social capital so urgently needed for a more 'liveable countryside.'

Socio-economic impact as one of the central criteria

Rural development did not start in the late 1990s. Rural development practices were already widespread before the Cork Declaration and the policy changes introduced at the level of the nation state. It is impossible to dismiss it as rhetoric elaborated to protect established agricultural interests at the next round of WTO talks.

Throughout Europe there have been many different expressions of rural development each reflecting local and regional responses to the modernization paradigm. A common feature of all these experiences is that they had a socio-economic impact that is far greater than that achieved by the straightforward application of modernist routines. A well informed, 'with-without' analysis yields telling insights in this respect. It shows that income and employment at farm level are higher, investments are greater and that there are more extensive multiplier effects for the regional economy as a whole. When rural development practices are analyzed from the perspective of sustainability criteria, they also prove to be clearly superior.

Several conclusions can be derived from these observations. First, rural development practices emerge out of the well-understood self-interest of the actors involved. New rural development practices of whatever type can enable farmers to sustain and enlarge their income and employment levels – a prospect considered impossible within the modernization paradigm. Second, the European 'peasantry' should be understood as a major driving force in rural development. Although coalitions with new rural dwellers, urban consumers, and environmentalists, for example, are certainly necessary, farmers will continue to be the focus of such rural coalitions and arrangements.

Third, it follows that the principal yardstick for any evaluation of the new rural development approach being taken by the European Commission should be based on a careful comparison of the socio-economic impact of rural development policies and practices with the scenario of a continued modernization of agriculture. It is here that the new paradigm discussed above may prove its superiority. Anticipating such discussions, all the articles in this special issue stress and quantify the socio-economic impact of the rural development practices being discussed. In the final article in this volume, Van der Ploeg and Renting provide an overview and attempt to identify the critical (policy) factors that affect their performance.

The research on which the articles in this issue are based emphasizes the need to disentangle and further specify the different elements, mechanisms, contradictions and micro and macro relations that affect rural development processes. Brunori and Rossi, for example, attempt to identify the different mechanisms that underlie the creation of synergy effects. Knickel and Renting shows how the structure of multifunctionality can be decomposed at different levels, making it possible to specify substitution and multiplier effects. The articles dealing with farming economically and pluriactivity illustrate how different comparative methods can lead to different results and make clear that the reasons for selecting a specific method have to be well argued because there is no neutral, 'objective' method.

By way of conclusion

Rural development is a disputed notion – both in practice, policy and theory. Following Figure 3 we might reduce the complex debate surrounding the issue into two key questions: First, is rural development, at the level of practice, simply a chain of minor incidents? Of aborted initiatives, experiences doomed to remain in specific niches, and of politically inspired 'hiccups'? Or is it the outcome of a widespread, far-reaching although incomplete transformation of European agriculture and the relationship between town and countryside? In terms of Figure 3, what will domi-

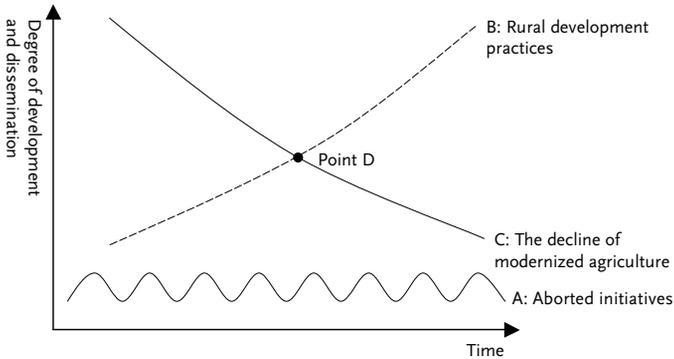


Figure 3: A hypothetical sketch of two main developmental trends in European agriculture

nate? Will it be line A or line B? Second, is rural development a serious alternative capable of arresting the decline of European agriculture that is largely still committed to the prescriptions of the modernization paradigm? Again with reference to Figure 3, how do line B and line C relate to each other?

There are scattered indications that at least in some areas of the European Union point *d* has already been passed (Van der Ploeg 1999). Whether this is indeed the case and whether it also applies to higher levels of aggregation requires more empirical research. However, such research will only be fruitful and telling when it is inspired by a strong and consistent *theory* of rural development.

Rural development is a definite opportunity for European agriculture. It can be fully explored and elaborated or it can be neglected and ignored. There is a world to win, but also a world to lose. In such circumstances, we believe a transparent, consistent and firmly grounded theory is no luxury.

Notes

1. All authors are currently involved in the Fourth Framework FAIR research programme 'The socio-economic impact of rural development policies: realities and potentials' (CT-4288).
2. It is telling that recent, nation-wide surveys in the Netherlands – a country where agriculture probably has been moulded more than in anywhere else to the rationale of the modernization paradigm – show that only some 15 to 20% of the farm entrepreneurs support the continuation of scale-enlargement and the associated rural exodus as main lines of agrarian development and policy (see Ettema et al. 1994).
3. Rural dwelling (Kayser 1995), hunting and other countryside sports, industries, and agri-tourism make up a growing section of the regional economy. Rural space is increasingly converted into a 'space for consumption' as opposed to simply being a space for agricultural production (Marsden et al. 1993).
4. It is evident that these contradictions imply a classification struggle (Bourdieu 1986).
5. In this respect it is not surprising that multifunctionality has emerged as one of the contested issues in the present WTO round. The international negotiations on trade liberalization are one of the major arenas in which the clash between modernization and the newly emerging rural development paradigm is being fought out. Its outcome will be highly influential for the future margins for the European Commission to implement adequate rural development policies

6. Details on the data underlying Figure 1 are discussed in Broekhuizen et al. (1997b) and Van der Ploeg (1999). In the calculations the cost of (family) labour has been excluded. It might be assumed that the trend indicated is generally applicable for most European agricultural systems.
7. It is important to add that pluriactivity is not limited (anymore) to peripheral areas. In 1998, within an average Dutch dairy farm, for example, an income of Euro 13,000 was generated through different pluriactivity mechanisms (LEI 2000). This amount is equivalent to almost a third of total farm family income.

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