Endogenous Development in Europe
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Preface
Endogenous Development in Europe

The word endogenous means ‘from within’. Endogenous development is, therefore, development based on local peoples’ own criteria of wellbeing, and takes into account the related material, social and spiritual aspects. Endogenous development is already present in all local communities. It is reflected in the communities’ capacities for self-determination, and is embedded into a series of relationships in which traditional and modern elements are combined. External support agents can support the community, for example by strengthening the interface between traditional and modern knowledge and practices.

Supporting endogenous development is an approach that emerged from the experiences of farming communities and non-governmental organisations in the mid 1990s. It builds on participatory approaches that aim to integrate local knowledge into development interventions. In practice, participatory approaches in Africa, Asia and Latin America often experience difficulties in overcoming an implicit Western bias. Methodologies based on endogenous development seek to overcome this bias by making peoples’ worldviews and livelihood strategies the starting point for development.

The Compas programme started in 1996 with the documentation of case studies on indigenous knowledge and worldviews in Africa, Asian and Latin America. In subsequent years, the importance of traditional knowledge in a modern context was documented, making use of insights gained in field programmes. Since 2003, Compas has focused on developing methodologies for supporting endogenous development and on understanding the various knowledge systems and sciences. This experience culminated in the book Learning Endogenous Development (Practical Action, 2007) and six publications in the Compas series Worldviews and Sciences. These and other publications can be found on the Compas website www.compasnet.org. Presently, the Compas programme is joining efforts with other organisations to mainstream experiences with endogenous development.

In Europe, endogenous development has been documented since the early 1990s. In the European context, endogenous development often refers to self-determined participatory development based on regional needs and the use of endogenous potentials. To gain more insight into the context and the motivations of the ‘pioneers’ who are spearheading this development, the Compas programme asked Sabine de Rooij, a sociologist working at Wageningen University and Research Centre (WUR) at the time, to identify interesting examples of endogenous development in Europe. She selected three cases (in The Netherlands, Italy and Slowakia), and did field research there. Together with the pioneers in these areas she looked at the importance of local resources for endogenous rural development, as well as the values and belief systems of the actors involved. A fourth case of endogenous development in this book (Ireland) is presented by Paul Keating from the Tipperary Institute in Dublin.
In chapter 1 the political context of European rural development since World War II and the emergence of ‘the second rural development pillar’ of the EU Common Agricultural Policy (CAP) is presented. Moving away from a merely agricultural sector-based approach, the second pillar of the EU policy now aims to focus on multifunctional farming and to support the broader rural economy.

In chapter 2, 3 and 4 the three case studies documented by Sabine de Rooij and her colleagues are presented: in the Netherlands (chapter 2), Italy (chapter 3) and Slovakia (chapter 4). The Dutch example presents the innovative solutions of members of environmental co-operatives to the problems due to modern dairy farming, in the province of Friesland. In the Italian example multifunctional farming and direct marketing are presented as key elements to revitalise the Abruzzo rural area. A women’s grassroots initiative that creates employment and provides social services to the community is presented in the Slovakian case. In chapter 5 the way endogenous development can be understood in Ireland is described, highlighting the role of social initiatives, such as co-operatives and other community-based partnerships. Finally, in chapter 6 a summary and analysis of the case studies is presented. This chapter ends with a list of critical factors for successful endogenous rural development, on basis of the cases in chapters 2, 3 and 4.

I believe the case studies and their subsequent analysis in this book provide valuable insights into the praxis of rural endogenous development in Europe. They effectively demonstrate that endogenous development is an interesting approach, not only in developing countries but also in more-developed regions of the world. It will also become clear that many bottlenecks still need to be overcome to enable the pioneers of these initiatives to reach their full potential. It is my hope that European as well as non-European readers may become inspired by the examples of endogenous development documented in this book.

Wim Hiemstra
Compas programme leader
Chapter One
Endogenous Initiatives as Driving Forces of Sustainable Rural Development

Sabine de Rooij

1. On Endogenous Rural Development

The use of local resources is at the heart of sustainable endogenous development patterns and strategies (Van der Ploeg and Long, 1994; Van der Ploeg and Van Dijk, 1995). This applies to economic, ecological, human, social and cultural resources. External resources are selectively used; the generation of extra added value is a main criterion. An important assumption with regard to the focus on local resources is that a local resource base is a dynamic entity which offers countless and changing possibilities. Such new possibilities (e.g. the identification of as yet unused resources or alternative applications for those already in use) may come into sight when political and economic developments take place or emerge as an expression of shifting social power relations (e.g. women’s empowerment; growing urban influence on rural resources). They may also be the result of innovative entrepreneurial activities. Whatever the cause, the local resource base can provide new perspectives and breathe new life into a specific locality or area as long as the generated benefits find their way back into the region and to the population in question. This requires a supporting local or regional infrastructure, for instance local distribution channels and markets, co-operation between farmers and between farmers and other stakeholders. However, already existing interrelations may constrain development, such as those between ‘the locality and more global constellations such as markets and policy’ (Van der Ploeg and Saccomandi, 1995). Equally, the relationships between women and men, generations, ethnic groups, etc., can inhibit development. If unaltered, they determine the scope for new developments and the acquired benefits at regional, social group or individual level. Therefore they have to be subjects of change as well.

Endogenous development comes from ‘within’, that is, local communities make their own choices as to what activities are to be undertaken (Van der Ploeg and Long, 1994). Yet, it is important to recognise that local communities are not homogeneous and harmonious entities. Inhabitants will have different, sometimes even opposing, needs, interests, visions and opportunities. The same is true for non-rural stakeholders who have their own and diverse interests in specific rural localities or regions. This means that struggle, negotiation, creation of alliances, co-operation, compromise and change are all part of the development process.

1.1 Deteriorating Contexts

The notion of endogenous (rural) development becomes especially relevant when contexts are deteriorating. The current European rural context is a good example. Rural Europe is changing at a rapid rate. Globalisation, liberalisation, privatisation, the rise of new democracies and a growing intervention of civil society groups are among
the factors of influence. The consequences are comprehensive and many-sided. Geographic, economic, political, borders are changing. The mobility of people and capital is huge and technological developments both end old worlds and open up new ones. All over Europe, traditional economic activities, including rural-based ones, are perishing. They no longer seem to make sense in a world in which information and communication technologies make new demands on knowledge and skills. Yet, they might be the starting points for new economic activities. Changing consumption patterns that are linked to these processes both threaten and open up new chances for rural economies as well. Newcomers, who are numerous in certain regions, can be the vehicle for change because of their diverse backgrounds, education, ages, cultures, etc. It is known for instance that farming women from non-rural backgrounds constitute one of the driving forces behind the renewal of farm management practices. On the other hand, innovations can very well come from the original rural residents. A recent explorative study among dairy farmers in the Netherlands revealed that innovative farmers initiate the transition towards sustainable farming themselves (Wolleswinkel et al., 2004).

Rural regions in the new democracies of Central and Eastern Europe have an extra handicap because the relationships between state, market and civil society are not yet fully balanced. This contributes to insecure rural economies. In addition, regional disparities are growing. Whereas some areas are prospering, others face impoverishment of their rural populations.

Although within countries and even within regions rather different changes are taking place, one can pose that an increasing part of Europe’s rural regions is endangered. The more remote areas are especially vulnerable to ecological deterioration, substantial out-migration or impoverishment and growing social problems (Bryden, 2003). Growing health problems and increased crime and violence, including domestic violence and trafficking in women, are telling in this respect. The lack of economic perspectives and a subsequently declining liveability are among the driving forces. Young people in particular have few possibilities in such regions. More densely populated regions face different problems. Inhabitants of these rural regions see themselves as being squeezed between opposing societal needs: for agricultural production on the one hand and for housing space, infrastructure, small industries, nature, water and recreation on the other. In these regions the role of farming – as a profession, source of safe and quality food, protector of nature and landscapes and potential motor of rural development – is in danger.

2. Rural Crisis

After the Second World War, one of the political spearheads in Western Europe was food security. Sufficient food levels needed to coincide with low prices for consumers and a decent income for farmers. A new formula for agricultural development was launched at (supra) state level and included scale-enlargement, intensification and specialisation of agricultural production. It was called the ‘Mansholt Plan’. European and national governments created policies and a legal framework to stimulate and

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2 See e.g.; Bock, 1999 and 2003; Majerova 1999; Momsen et al 1999; de Rooij et al, 1995; Shortall et al. 2001.
support the farmers in implementing these changes. Market, price and structural policies offered farmers favourable conditions (‘protected spaces’, see Rip and Schot 2001) to enlarge their farms and increase their production. Substantial financial resources were set aside to develop new knowledge, technology and information networks. Research, education and training institutes as well as information and communication services emerged as important catalysts and carriers of change. Their role in convincing farming families and farmers’ organisations of the need to take this new road was crucial.

The newly designed policies and accompanying infrastructure had a significant impact. As planned, production levels went up. However, as time went on, unintentional effects emerged as well. Modern agricultural methods caused serious ecological, food safety and animal welfare problems. Further, the enormous production surpluses weighed heavily on the EU budget and consumers and citizens started to raise objections to this broad range of negative consequences. Farming families on the other hand also felt the costs of modernising the agricultural production process. The huge capital investments needed for modernisation for extra land, modern technology and additional external inputs − were insurmountable obstacles for many of them. A considerable number was forced to close down their farms. In the course of time, even the initial survivors appeared to have no lasting security. They found themselves entrapped in a race for continued growth that was accompanied by growing external dependency and vulnerability. Also today this pursuit may lead to failure, including among farmers who are considered to be in the ‘vanguard’ of the profession. The changing politico-economic climate (globalisation and liberalisation of markets) leaves the pathway of scale-enlargement and intensification open for fewer and fewer farming families. It is evident that this trend toward a smaller number of operating farms is becoming critical for parts of rural Europe – in particular the more isolated regions. These regions have to deal with impoverishment of their economic, ecological, social and cultural environment. Some areas are also facing a population decline.

2.1 Farming Styles

Initially it was thought that modernisation of the agricultural production process would result in only one ‘style of farming’. A ‘farming style’ refers to shared cultural perceptions on the ‘right way of farming’ and the associated farming practices (Van der Ploeg, 2003). However, this proved to be a misconception, as diversity became a structural characteristic of European farming. Instead of embarking on the modernisation project (which included a very specific organisation of production and reproduction), many farming families looked for other strategies to earn an income and continue operating their farms. They continued to practice mixed farming, raise local breeds or plants, process their own products, expand their production at a slow pace, labour outside the farm and participate in newly established (regional) networks and partnerships, etc. Those who did join the modernisation project appeared to use their resources in varied ways as well and to find new ways to link up with markets (financial, labour, knowledge, technology, consumers, etc.). Thus a diverse range of farming styles emerged.

From an analytical point of view, farming styles can be distinguished by looking at three inter-linked layers:
Endogenous Initiatives as Driving Forces of Sustainable Rural Development

1. Farmers grouped into one farming style share a vision or normative frame (‘cultural repertoire’) that contains a coherent set of strategic notions about the way one should manage and develop the farm. Hofstee, a Dutch rural sociologist who first used the concept of farming style, stressed this aspect (Hofstee, 1946). According to him, this ‘cultural repertoire’ or ‘cultural pattern’ as he called it, was very much connected to the local resource base and traditional local knowledge about how to deal with this resource base at farm level. But farming style also goes beyond this. Values enclosed in religious traditions, local customs (such as neighbourliness) or specific social structures and relations at local level are also of importance in the design of the farming practice and strategy. Modernisation of agriculture did change many of the traditional values. One example is the basic value of helping one’s neighbour. Scale enlargement and specialisation led to such a re-organisation of the production process that neighbourly assistance lost its significance. The practice of neighbours helping each other was thus no longer self-evident or it was limited to the realm of family problems. Another example is the relation between people and nature and how people should value nature. With the arrival of modern technology, nature became merely a resource to maximise profits. It wasn’t until after the devastating effects of modern agriculture became clear that values started to change again and eventually influenced farming styles. Changes in the broader society, such as in the relationships between women and men, also eventually translated into new rural development initiatives focused on gender equality.

2. Each farming style also has a specific farming practice (or income generating strategy), including the needed knowledge and expertise, which is informed by the normative frame.

3. A farming style refers to a particular way of linking to external actors and artefacts (technology, institutions of the market), ranging from full integration to total autonomy.

2.2 Dynamics of Farming Styles

Farming styles are rooted in their own context and therefore varied. In the past, the local context was very decisive for the type of and variation in farming styles in a specific region. Today the point of reference is more global (Van der Ploeg, 2003: 112), because the impact of European and national agricultural and rural policies, globalising markets and modern technology on farming practices is very strong. With the assistance of modern technology, for instance, the limitations of the local ecosystem can be overcome and local markets no longer determine what is produced nor how much. The current legal and policy frameworks also leave less room for traditional local or regional strategies. Therefore the farming styles of today can be considered as responses to the new policy, market and technology parameters. However, as noted above, these responses can still be varied. Some styles are classic examples of putting into practice the modernisation project. Others reflect the reverse, that is, they ‘dissociate themselves from and deconstruct the modernisation project’ (ibid.: 113). Of course, many variations can be found in between these two extremes. Broad research
in Europe reveals that even within one region or within one sector variation of farming styles can be distinguished (see e.g. Van der Ploeg and Long, 1994; Ventura and Van der Meulen, 1994; Remmers, 1998; Van der Meulen, 2000). Moreover, variations exist even within styles depending on the available labour, the size of the farm, etc. The farming styles that distance themselves from the modernisation project are the most influenced by the local context. They have stronger ties to locally available resources and networks and cater to the demands of local and regional markets.

Why do farming families respond differently to new demands and opportunities presented by markets, technology and policy? There are many reasons. The size of the farm, the amount of debts, the available labour force, the age of the farmers, the presence of a successor, the family situation, the limitations caused by the natural context (nature, environment) and the distance to urbanised areas are all important factors. But the social context can be the main driving force behind the farmers’ choices. Together these relations determine the limitations and concerns, the opportunities and challenges for farming families. They also embody different and even contradictory social values with respect to ecological sustainability, biodiversity, food safety, gender equality, maximising profits, autonomy and ownership of rural development.

2.3 Background of Continuing Heterogeneity
Several factors influence the sustainability of diversity in farming styles (ibid.: 114-115). The first is the ability of the farming households to ward off external pressures, i.e. their ‘culture of survival’ (ibid.: 114). This is illustrated by the perseverance and continual founding of family farms in spite of the numerous negative predictions about their current and future chances of survival. A second factor is the manoeuvrability farming families have to link up with the dominant modes of ordering (markets, technology, policy). Farmers can choose to be more or less autonomous from external expertise and services, technology, financing, processing industries, distribution channels and global markets. More autonomy is created by using one’s own labour resources (e.g. building a new stable or maintaining the machinery with the farming family’s own labour, knowledge, skills, savings, assets, relationships), establishing co-operation with others or making use of alternative resources (renting out land for bulb growers; using land and/or buildings for agro-tourism; using family labour to earn an income outside the farm; self-processing of milk; selling farm products at the farm gate; etc.).

The third factor is entrenched in the farming practice itself and refers to the potential of (locally) available resources and the ability of the farming family members to recognise this potential and use it in their own interest. Creativity, inspiration, a pioneering spirit and agency are among the attributes the farmers need to have in order to realise new pathways, new perspectives and thus new coherent farming practices.

It needs to be stressed that farming styles are not a strictly European phenomenon. Research reveals that they can be found all over the world (see for Africa Hebinck, 1990; Van der Ploeg, 1991; for Latin America Gerritsen, 2002; Bolhuis and Van der Ploeg, 1985).
2.4 Negative Impacts of Agricultural Modernisation

It can be gathered from the previous sections that one of the main causes of the present rural crisis is the increasingly awkward position of the European agricultural sector. Up until now, this sector was, although of declining relative importance, a vital part of many rural economies. But the consequences of decades of ‘modern’ agricultural methods and technologies, the growing number of restrictive regulations as well as the processes of globalisation and liberalisation have rapidly diminished the survival opportunities for farmers. They see themselves simultaneously confronted with falling prices and rising costs. Farmers in the new EU countries face extra handicaps linked to the changeover to a market-oriented economy and their entry into the EU. The farmers’ response to these realities varies, and depends on many factors. In regions where agriculture remains a very important activity there is a greater tendency for further upscaling and specialisation of farms. These processes tend to coincide – at least up to now – with a narrowing of the local resource base and growing dependence on external resources. In these regions both in- and out-migration may occur. Other regions are confronted with a substantial decline of agricultural activity. The associated local enterprises and supporting institutions disappear as well. The more remote areas are especially likely to suffer such a processes of de-activation, or they are left with an ageing and often predominantly female population. In such areas, the local resource bases are declining rapidly. Labour is scarcely available and biodiversity and landscapes become impoverished or erode, since there are no longer farmers to maintain them. Traditional knowledge, passed on from generation to generation, is another endogenous resource that gets lost. For the remaining population, the quality of life deteriorates gradually because income-generating activities decline and services such as shops, schools, health care and public transport disappear. Poverty becomes a threat as well as social isolation.  

2.5 CAP and the ‘Second Pillar’

To reverse these trends and to re-vitalise endangered rural areas, the EU Common European Agricultural Policy (CAP) is currently being transformed. A ‘second rural development pillar’ has been added that introduces a new approach: an integrated multisectoral area-based approach instead of a merely sector-based approach. The new approach or paradigm deviates from the conventional one. Instead of an externally imposed top-down organised programme, the new approach connects to already existing practices that are rooted in reality (Van der Ploeg et al., 2002). It thus complies with already existing and successful endogenous developments. Europe-wide examples of such good practices can be found.

Under the new approach the focus is on multifunctional farming on the one hand and on diversification of the broader rural economy on the other. Multifunctional farming refers to rural development in so far as it is developed through farming. It includes the identification and mobilisation of new resources or the re-definition of former ones. In this way new perspectives are being opened up both for farming

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3 In areas located closer to towns the problems are different. There, the rural population sees an increasing stream of well-to-do people from cities (pensioners or well-off double-income families) moving in. They drive up the prices of houses so locals (especially young people) cannot afford to live in the countryside anymore.
families and, through its multiplier effects, for the rural areas in which they are embedded (ibid.). Agricultural products for instance can gain extra value through organic production, on-farm processing into region-specific products or on-farm selling, which is attractive for rural tourists, recreants and urban citizens. The growing demand for beautiful nature and landscapes from this latter group adds extra economic value to the surrounding nature, landscapes and cultural objects in rural areas. Farmers can take advantage of this through participation in specific nature maintenance programmes funded by EU and national governments. Under the new CAP, considerable funding is reserved for this aim and farmers may apply for these funds. Extra income can further be generated by using on-farm resources, such as land, capital, knowledge and skills, redundant or empty buildings, etc., for non-traditional activities. Family labour mobilised for an off-farm job, agro-tourism, care activities, an on-farm non-agricultural enterprise and the generation of wind energy are all quite common these days.

Although multifunctional farming is largely rooted in local initiatives and local resources relative outsiders can also take such initiatives Examples are farming women who did not originate from farming families or townspeople who buy land to start an organic farm. Both categories have been introducing new visions, experiences, knowledge and skills to the farming community, while, at the same time, traditional practices, norms and values have not hindered them. Research has revealed that farming women have often instigated new farming development strategies. They have been the rather invisible actors behind their pioneering husbands’ activities (Bock, 2003; Shortall et al., 2001; De Rooij et al., 1995).

According to recent research among professional farmers in six European countries, more than half of the respondents (52.1%) – though unevenly spread over the regions – is involved in one or more of the mentioned activities. It is mostly younger farmers with relatively large farms who are involved in these new activities. On average, involvement in one of these activities contributes 38% to farm income. This contribution increases to 64% when farmers are involved in three or more activities (Van der Ploeg et al., 2002: 222, table 10). So it must be concluded that these new approaches pay off; and not only for the farmers. Their communities also benefit: a regional impact assessment of the farming strategies at issue in the province of Zeeland, the Netherlands, shows a considerable spin off for the provincial economy. It is estimated that in a period of 10 years (‘98-‘08) the new economic farming activities created at least an extra 193 fte on a yearly basis in the province (ibid.: 199).

3. Co-operative Approaches

Although many new farming strategies are carried out on a family basis (since most farms in Europe are family based), farmers also co-operate to ensure continuity of farming in their region. Such ‘turbo-power-driven’ rural development may be more sustainable than numerous individual efforts because of its synergetic effects (see Brunori et al., 2000; Knickel and Renting, 2000). Farmers united within the environmental co-operatives VEL and VANLA (see Chapter 2) are a good example of such an effort. Rural initiatives that go beyond farming may also be jointly organised. In fact, such common initiatives are encouraged by the European rural development policy framework and are supported by various subsidies, programmes and projects.
The LEADER programmes (I, II and +)\(^4\), in which transnational co-operation is a requirement, are a good example of promoting more general rural development initiatives primarily based on locally available resources. The programme initiated many projects and made already-existing initiatives viable. Crucial steps in the design and selection of projects are recognition of regional weaknesses, anticipation of future threats and identification of the strengths and opportunities. The latter are then the starting point and can be manifold, such as natural and/or cultural heritage (national parks, lakes, attractive small towns and villages with picturesque ports or exceptional architecture), local culture (as the basis for identity, specific foods and a regional cuisine, a tradition of co-operation and common use of assets, concentration of specific skills, knowledge) and potential labour power (youth, women looking for jobs).

Outsiders can also initiate rural development that takes place outside the local community and partly independent from farms. Rural sites are no longer exclusively dominated, owned and controlled by the farming population. People who have no connection to farming or even no traditional bonds to rural areas increasingly inhabit them. More and more people prefer to live in the relative peace and safety of rural areas, closer to nature, clean air and open space. This is especially true in densely populated areas of Europe, such as in the Netherlands. The new villagers are a diverse group, ranging from families with young children to well-off pensioners. Rich people who want to have a second house in the countryside where they can spend their weekends and holidays also buy houses – or former farmhouses. This group also puts a stamp on rural life and the rural economy. Those who do not have to commute to an existing job in the city might, for example, start a business of their own or work in newly established enterprises or small industries (e.g. ICT) that were attracted by the relatively lower costs and the greater accessibility.

More and more different stakeholders have (sometimes opposing, sometimes complementary) interests in the rural areas. Outsiders may also start rural businesses like tourism. Such initiatives may not contribute to local development, but just use the rural opportunities for their own advantage (profits are taken out of the region, or not re-invested there, etc.). Examples of this type of development in Hungary are described by Kovacs (1998). To avoid such development, co-operation of regional stakeholders and the building of strategic alliances (to unite local interest groups and strengthen their resource base) are necessary and therefore an indispensable part of sustainable endogenous development.

**Literature**


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\(^4\) The LEADER programmes of the European Union are targeted at the activation of ‘lagging’ rural areas. They have been presented as a kind of laboratory in which innovative approaches to rural development can be invented and tested. The area-based multisectoral plans are designed by Local Action Groups (LAGs). Since the start in 1991, three subsequent LEADER programmes have been launched. Currently the LEADER+ programme is active. See for example Shortall 2003 and Van der Ploeg 2003.
Endogenous Initiatives as Driving Forces of Sustainable Rural Development


1. Introduction: Environmental Co-operatives in the Netherlands

Environmental co-operatives are regionally embedded rural institutions aimed at sustainable farming and rural development practices. Their members are local farmers and further landholders. Other interested individuals and various rural stakeholders, such as environmental or nature organisations, animal welfare groups or local authorities, may participate as well. From the point of view of the participants, an area-based approach opens up the best opportunities to integrate both environmental and nature policy objectives into local farming practices, while retaining a focus on the economic strengthening of the farms. Environmental co-operatives design their own strategies to achieve this. They take local conditions and their ‘contextual knowledge’ as points of departure. Collective accountability for the fulfilment of government-set targets is a central characteristic.

The needed administrative room to deviate from top-down imposed generic rules is acquired through networking, building of smart alliances, effective lobbying and good negotiation skills. Ministerial approval is sometimes gained for an ‘experimental status’, which creates the conditions to search for region-specific, tailor-made solutions. Internal control mechanisms are established to monitor and evaluate the implementation and progress of the activities. The characteristics of self-organisation and self-regulation make environmental co-operatives an expression of a new mode of rural governance. They represent a ‘new contract between local, regional and national authorities and farmers’ (Wiskerke et al., 2003). Because they are embedded in broad networks and form strategic alliances, environmental co-operatives have the potential to exert considerable political influence at local, regional and national level.

2. The Environmental Co-operatives VEL and VANLA

VEL (Vereniging Eastermar’s Lânsdouwe) and VANLA (Vereniging Agrarisch Natuur- en Landschapsbeheer Achtkarspelen) were among the first environmental co-operatives to be founded in the Netherlands. They are active in the northern Friesian woodlands, a formerly rather poor region of 12,000 hectares in the province of

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5 The case was described in 2004.
Friesland, situated in the northern part of the Netherlands. Dairy farming is the dominant type of farming here. The region has an unique landscape, which is characterised by small farm plots surrounded by hedgerows and belts of alder trees. Farming in this small-scale and valuable eco-system is labour intensive and involves relatively high production costs. Traditional knowledge and craftsmanship are indispensable. Local dairy farmers established the co-operatives in 1991 and 1992 in response to increasing tension caused by growing economic pressure on farming and restrictions on farming stemming from new environmental and nature policies. In particular, new rules put into place to counter the negative effects of ammonia deposition on ecologically valuable landscapes and nature implied severe restrictions for the farmers concerned. They prescribed exactly how farmers had to achieve the goals, which would necessitate costly investments. Covering these costs through scale enlargement and intensification of production was not an option since these were incompatible with the small-scale landscape and local zoning schemes. The farmers felt trapped; they found it quite ironic that the unique landscape, which was largely the result of their active management, now threatened their own livelihoods. They decided not to acquiesce to this situation, especially because they knew they could solve the problems – that is, achieve the policy goals – if they were allowed to do this in their own way. Scientific research on diversity in farming styles carried out in the region offered the basis for this conviction. The study showed that alternative strategies were possible and even that methods and techniques with a promising potential for creating sustainability were already in use, albeit in a dispersed and isolated way. One of the findings was that unploughed grasslands need much less fertiliser to reach a high grassland production than ploughed grasslands. It was also discovered that ammonia emissions could be reduced by applying an additive to cattle slurry manure, and successful experiences were identified in which valuable landscapes were integrated in farming practices. The main conclusion was that a combination of these isolated practices could offer perspectives for sustainability.

The study further revealed that almost all local farmers supported the option of contributing to nature and landscape management if they were to be compensated financially. This was quite surprising as it was contrary to what most people expected from professional, modern farmers (Stuiver at al., 2003; interview Van der Ploeg, 2004).

Some years before, a group of local farmers participated in an excursion to Brussels, where they were informed that agricultural policy would be radically reformed in the near future and that this would have far-reaching consequences for agricultural practices. They further learnt that the new rural development policies would comprise opportunities for their area.

In close co-operation with some scientists of Wageningen University and Research Centre, about thirty pioneering farmers then launched the idea of an environmental co-operative. After quite some time in which clear aims needed to be set and strategies developed to gain support from other farmers and local officials and politicians, the first environmental co-operative was founded in 1991. The role of three farmers, who eventually became local leaders, was crucial in this process.

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6 De Bruin and Van der Ploeg 1991
Three key factors were thus crucial for the development and founding of the environmental co-operative:

1. scientific research that broke the existing taboo on integrating nature and landscape management in farming;

2. a signal from Brussels that support of the agricultural sector would be reduced;

3. knowledgeable local leaders with a relevant network.

Right from the start, goals were formulated, such as compliance with ecological requirements and economic sustainability. This implied the creation of opportunities for as many farming families as possible to continue farming and generating decent incomes. Keeping the region liveable and creating a sense of belonging, unity and solidarity among the local people were also important objectives. According to the founders, these were in fact pre-conditions for the region’s survival. For the plan to be successful, as many farming families as possible would have to be committed to the co-operative’s aims and participate in its activities.

In time, membership expanded as farmers became increasingly aware that the environmental co-operative is a resourceful institution that can add extra value to their own resources and provide access to new ones. The positive ecological and financial results of the vanguard group appeared to be a strong stimulus for membership. The farmers further expected that membership would help them deal with the conflict between increasing monitoring and sound business practice. The tangible results at political level (payment for nature management and exemption from generic rules, for instance) also strengthened the feeling that an institution like the co-operative could make a difference. Today, 80% (VANLA) to 90% (VEL) of farmers in the region have joined their local co-operative.

‘It is an interest group for regional level issues, led by people who know exactly what is going on in the area. For farmers it makes sense to become a member. The co-operatives are more progressive than the farmers’ union when it comes to farm development; they link it to the local conditions and opportunities. The farmers’ union, which is nationally based, still sticks to one general advice. Their message is growth. Well, we think such a strategy is too risky here. You make a lot of debts and you need to work very hard.’

‘We joined because the co-operative made us aware that the natural obstacles in this region could be used as opportunities. Also the relative small size of an area-based organisation was attractive because it increases our possibilities to exert influence. Moreover, membership stimulated the feeling of solidarity and strength. Policy plans threatened our livelihoods and the co-operative was able to change this perspective.’
During interviews, members stressed that it was advantageous for them to join their co-operative because it improved and broadened their resource base. It also gave them a broader view on farm development, increased knowledge and skills, better incomes, a larger social network and more self-esteem. Local leaders gain extra benefits as they receive training in representation, advocacy, lobbying, negotiation and co-operation with experts in different fields. They also enlarge their social network: through involvement in the co-operative’s activities they meet all types of people from various regions, countries and cultures. Most members think that the efforts of the co-operatives also have positive effects at regional level. The landscape is well kept, more beautiful than before and attracts tourists, for instance. This is favourable for local shopkeepers, the catering industry and farming families involved in cheese making or agro-tourism. Scientific evidence to prove the progress in terms of economy and ecology is, however, still scarce. This will be discussed further in sections 4 and 7. The section below first focuses on the underlying social values that made the founding and successful operation of the co-operatives possible.

3. Underlying Characteristics and Values of the Local Actors

3.1 Pioneering Spirit

Several factors contributed to the success of the environmental co-operatives in this region. The presence of motivated and knowledgeable pioneers capable of inspiring and activating other farmers was indispensable. This refers to three local farmers, who were very well informed about relevant political and economic trends and who had experience in local level policy making and implementation. They had been involved in the implementation of the first local land management scheme and were influential in having the area proclaimed a so-called 'less favoured area'. Farmers in such an area were eligible for subsidies from the European Community to compensate for the difficult local conditions. The three also had a broad and useful network, which led them to the opportunities offered by the European scheme for less favoured areas.

3.2 Collective History, Solidarity and Coherence

Shared social values also played an important role in the successful founding and operation of the first co-operatives. According to a former leader, social coherence (the sense of ‘belonging to the same community’) is one of these values. Important triggers for social coherence were state-enacted rules. The farming families felt they were being treated unjustly and considered the new rules and regulations a threat to the continuity of their farms. These feelings were intensified by the belief that discontinuation would in effect make the huge sacrifices of their ancestors to found a farm on the poor soils futile. ‘Nobody can cut off our roots’. Although the landscape was sometimes seen as an obstacle for improving their farming results, it too represented the result of local farming practices over many generations: ‘We cherish the landscape, it is part of our identity’. Feelings of social coherence are also embedded in the local custom of mutual support in difficult situations. Previous generations

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7 This section is based on information gathered through interviews with local actors and experts.
would not have been able to survive without helping each other. Although technological developments made the farms less vulnerable to natural conditions and thus less dependent on co-operation and solidarity, some patterns of co-operation, such as labour exchange and sharing of machinery, are still present. Hence, once confronted with a shared threat, the farming families fell back on their traditional line of defence, i.e. local collaboration. According to them, an area-based approach to solve their problems was in line with this tradition. They also felt that every farm, whether small or big, should have the opportunity to develop.

3.3 Autonomy and Resistance
The local farmers find it hard to accept state-imposed rules and regulations. They define themselves as ‘free people who cherish autonomy’. Self-supportiveness, self-sufficiency and reliance on their own capacities are important values. Too much state interference triggers resistance. This is not because the farmers deny existing friction between farming, nature and the environment, but because they want to solve the problems themselves and in their own way. And to accomplish this, they need room to manoeuvre, i.e. the opportunity for self-regulation. The longing for freedom is, again, rooted in the past: previous generations had strong anarchistic sympathies. Minimal in-migration of farmers from other regions – they have been deterred by the difficult natural circumstances – has kept these feelings alive.

Resistance was further strengthened by the procedure followed by the state officials. Local farmers were totally excluded from the policy formulation process. Policymakers used national aggregated data to draft generic rules and ignored the specific situation in separate regions, including the potential effects of the new rules on the local farming perspectives. This non-participatory top-down procedure strengthened feelings of solidarity among the farmers even more and mobilised resistance.

3.4 Reliability
For the founders of the co-operatives, the commonly shared conviction that agreements must be kept was a form of security. ‘Farmers here need time to decide whether they can commit themselves to such an experiment or not. But once they make the decision to join, you can be sure they will keep their promises.’ This makes the involved farmers reliable partners.

3.5 Responsible Farming
Farming styles express farmers’ perceptions on farming and the involved practices. They contain social definitions of what is considered to be ‘good’ farming. From the farming practice itself it can be gathered whether or not a farmer complies with the predominant values. Several farming styles are represented among the members of the environmental co-operatives. Nevertheless, local farmers share some basic principles about farming and these broadly supported values made it easier for them to organise themselves within one organisation. The concept of ‘kreas buorkjen’ (which roughly means ‘neat’ or responsible farming) encompasses morally and aesthetically acceptable farming practices based on these shared values. This translates into the following characteristics:
1. The farmer’s own experiences and intuition are valuable: they are important anchors in farming practice and in decision-making about farm management and development. The farmer believes in his or her way of working and organising, and in the decisions that are made.

2. The natural environment is taken into account. Pollution minimised. A balance is sought between the ecological and economic sides of farming.

3. The farming enterprise is not overburdened with debts and is as self-sufficient as possible with respect to the main inputs and factors of production.

4. It is obvious to others that the farmer bestows care on the farm. This is evidenced by the colour of the grasslands, the appearance of the cattle, the condition of the farm buildings and farmhouse, the appearance of the yard and garden, etc.

5. The farm is well-balanced, coherent, in harmony with its environment and has a clean, aesthetic, yeoman-like status.

3.6 Stewardship: Taking Care of Nature

The notion of stewardship is also crucial to understanding the success of the environmental co-operatives. Generally speaking, it refers to the relationship between human beings and nature. More specifically it refers to a harmonious relationship in which people respect nature and its intrinsic values and aim to preserve it for future generations. This implies that human needs must be fulfilled with minimal negative effects for ecological values. For part of the farmers in the concerned region, stewardship has a religious connotation. That which is a gift from God must be carefully treated and passed on to the next generation.

When it comes to the farming practice, the farmers appear to interpret stewardship in several ways. Some farmers link it explicitly to the soil quality and focus on its improvement. Their main concern is the level of nitrogen in the soil, because of its potential to pollute groundwater, and their aim is to improve the natural condition of the soil. The environmental co-operatives have developed an ‘environmental track’ in which this issue is successfully tackled. Other farmers focus on the values embedded in the landscape, such as the rich flora or meadow birds; and protection of these natural values are central in their interpretation of stewardship. The so-called ‘nature and landscape’ track of the co-operatives supports the maintenance and improvement of these values. The two tracks are discussed further in sections 4.3.2. and 4.3.1.

It is important to emphasise that stewardship of natural values draws on traditional local knowledge built up by generations of farmers who considered the regionally characteristic hedgerows and alder trees to be a self-evident part of their farm. Knowledge about crops of local origin and local cattle breeds was also passed down through the generations. It was always assumed that local species are better adapted to local production conditions and are therefore a better base for the local biodiversity. The environmental co-operatives take advantage of this knowledge and also created a system to further disseminate it among other farmers.
It is worth noting that members of the co-operatives appear to change their interpretation of stewardship over time. That is, they link stewardship to more and more aspects of nature. This can be considered a result of their membership of the environmental co-operative. By participating in different projects of the co-operative, the pressure namely increases to pay attention to additional aspects of stewardship.

Apart from the two ‘tracks’ referred to above, stewardship can be expressed through alternative farming methods and techniques. Since the establishment of the co-operatives, a small but growing number of farming families in the area has decided to switch to ecological production. Their already extensive way of farming was a favourable condition, because no radical changes were necessary. The choice to make this switch was of course not merely idealistic. Farmers are entrepreneurs in the first place and the extra value of organically produced milk was very appealing. Leaders stressed that the change to ecological farming was nevertheless a difficult step for farmers with a deep-rooted aversion to externally imposed rules. The stagnating consumer demand for organic milk presents an additional obstacle.

Stewardship can also be expressed through the integration of so-called eco-technology. This refers to a range of techniques and methods that both mainstream and organic farmers can use. Farmers participating in the environmental track within the VEL/VANLA co-operative experimented with the use of an additive to cattle slurry manure. Eco-technology, is also used by a larger group to improve animal health care. Homeopathic medicines and alternative therapies (touch for health, the pendulum) are other examples. So far, no scientific evidence is available to prove the effects of these technologies.

Stewardship is not the exclusive responsibility of farmers. Many rural citizens voluntarily contribute to meadow bird protection activities, for example. The environmental co-operative has more than 1500 volunteers for such programmes.

Figure 1 summarises the main, shared values and their interrelations.
The pioneering spirit, which builds upon collective history, solidarity, coherence and reliability, defines and governs the relations with the outside world. Even when there is a deteriorating context, it is through this pioneering spirit that new responses are sought and implemented. This in turn strengthens autonomy.

The indicated shared values refer to relations with both the external context and the internal world. Responsible farming is a direct expression of these values and leads by definition to stewardship. In other words, stewardship can be seen as the reflection of the upper part of the figure: the farmer seeks autonomy, which is realised through a pioneering spirit, in order to achieve stewardship. This means farming and taking care of nature, the environment and the community in a way that is not imposed through regulations by the state.

4. Resources and Access

Aside from the cultural resource of shared values, farmers have access to other important resources, namely natural, human, economic, social and produced resources. Natural resources encompass, for example, land, water, ecosystems, biodiversity. Important human resources are labour, knowledge and skills, including
specific local concepts and ways of learning. Economic resources comprise capital, credit, incomes, markets and ownership. Social resources include family, special interest organisations networks and good leadership. Buildings, fodder, seeds, manure, machinery, technologies and infrastructure are classified separately as produced resources (see Haverkort et al., 2003: 31-32).

There are various aspects of resources to consider. First is the level to which it pertains. Some resources are especially important at farm enterprise level, whilst others emerge mainly at regional level. Soil biology, for example, concerns each particular enterprise (especially with regard to soil fertility). However, if the land of many neighbouring farms is improved, this might translate into increased biodiversity for the region as a whole. The presence of top-predators (such as owls) is an expression of this biodiversity and an outcome of linked processes at the different levels. The co-operatives are important vehicles that ‘translate’, as it were, farm-level resources into resources at regional level.

Second, a distinction can be made between existing, i.e. available resources, and those developed by the co-operatives. Through the dynamics of the co-operatives, specific assets (like hedgerows) are changed from being mainly a hindrance to farming into important resources that contribute both to farm enterprise economics and the regional economy as a whole. Already available resources such as land and local knowledge can also be strengthened, improved and unfolded through the dynamics of the co-operatives.

4.1 Access

Family farming is the dominant farming structure in the Netherlands. The normal situation is that every farming family controls its own land, basically uses its own labour and has a considerable amount of capital, which is often materialised in land, cattle, buildings, machinery and production quota. Land use can also be based on short-term hiring contracts, but this is the case for only a small part of the land. The cattle present on a farm has been bred through a long historical process of selection. Access to water is not a problem because it is centrally organised by state-related agencies. Farmers dispose of locally relevant knowledge to manage their farm, which is partly passed on from generation to generation. Their knowledge may vary dependent on their style of farming. Extra resources, such as technology or fodder concentrate, are mostly acquired externally, but for some resources local networks and socially regulated exchange are crucial (e.g. for land, machinery, knowledge or labour in times of need). Professional networks link the farmers with the market, state and civil society. They give them access to off-farm resources like processing, distribution and marketing chains, governmental institutions that control funding or promote sector-specific interests, the farmers’ union, different sources of information, education and research. Colleagues and other interest groups can also be reached through these networks.

Gender relations impact access to and the use of resources through (in)formal inheritance patterns, marriage contracts, the gender division of labour, gender specific education and training among others.

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8 The ‘foodweb’ (Smeding 2001) is the crucial concept here.
Access to the environmental co-operatives is open to all the farm enterprises in the region. And once a farm is registered, all the separate family members involved in the farm enterprise become members. Board functions within the co-operatives are open to men and women. Both VEL and VANLA do have women on their board. However, generally speaking, women make relatively less use of the possibilities the co-operatives offer. This is the result of the gender division of labour within the family. Up to now, household tasks and childcare were (considered) predominantly female tasks within most farming families. Therefore women have less time and desire to participate in the activities. Nature conservation, landscape and mineral management are also tasks that traditionally belong to the typical ‘male’ farm domain.

Based on membership statistics, it is clear that participation in the co-operative is not connected to farm size or age. The membership includes all sizes of farms and farmers of all ages.

4.2 The Co-operative as Influential Resource

With the arrival of the environmental co-operatives, the farmers got a new and powerful resource within their reach. Environmental co-operatives appear to revitalize existing resources and to open up access to new ones. Above all, they constitute a multi-faceted resource that offers inspiration, motivation and social coherence, innovation, political power and administrative innovation, economic improvement and personal growth.

4.3 Core Activities of the Co-operatives

Within the co-operatives, different tracks are followed in search of strategies, methods and techniques to add value to existing resources, that is, to make farming economically and ecologically more sustainable. Core activities developed within the framework of the so-called ‘nature and landscape track’ and the ‘mineral constitute the local farmers’ own alternatives to government policies that were established to fight the acidification caused by modern farming practices. Although the activities are intertwined at the level of the co-operative, members can choose to participate in single activities.

4.3.1 Paid nature and landscape management

The first track entails farmer-managed nature conservation and landscape management. Within a period of 15 years, farmers have restored 240 kilometres of alder tree belts in the region and 220 pools, some of which originated from the Ice Age. In this period they also continuously stimulated ecological values on 80 hectares of farm plot edges and actively protected meadow birds on 240 hectares (Atsma et al., 2000). The active involvement of farmers in nature management is rooted in governmental directives to combat acid rain. They disputed the official assumption that ammonia from the stables was the main cause of the declining ecological value of the surrounding landscape. The farmers, whose farming perspectives would be severely restricted if the directives were enacted, argued that active nature management by the farmers would contribute more to improving the landscape and the nature embedded in it. Negotiations with the government resulted in an exemption from the ecological guideline. In exchange, the farmers committed themselves to restoring and improving the nature and landscape through active
management. Financial compensation for part of the work involved was negotiated as well. The farmers’ argument that beautiful nature and landscapes constitute a product desired by society was considered to be well founded. Additional initiatives included tailor-made landscape plans for individual farms and an area-based landscape plan for the whole northern Friesian woodlands. The latter plan was developed in co-operation with four other regional environmental co-operatives. Quality improvement of the whole regional landscape is the aim. Financial compensation depends on the delivered quality: the better the quality the higher the compensation for the landowner. Involvement in the nature management activities has had a positive impact on the existing resources used by the farmers and created a new resource as well. The new resource is the landscape and its inherent nature. One of the farmers:

‘You could say the co-operatives invented agricultural nature and landscape management. It was in fact the fulfilment of a need expressed by Dutch citizens. Today, you can find it in many areas where farming is rather difficult due to natural hindrances. We set the trend for the whole country. Nature and landscape management has created some employment in the area or at least diminished underemployment on farms.’

Nature conservation and landscape management have improved the incomes of the involved farming families. It is estimated that, so far, about 10% of their income is generated by means of nature programmes financed by the EU and the Dutch national government. Although most farmers are satisfied that the co-operatives succeeded in obtaining financial compensation (‘we needed to do the work anyway, so it is mere profit’), everyone agrees that it does not fully compensate for the time spent. This ‘underpayment’ is due to the political choices of the national government. The largest part of the funding available for nature conservation is allocated to (semi-) governmental nature management organisations and agencies. The political support for environmental co-operatives among policymakers and within the mainstream farmers’ organisations is still insufficient.

The efforts of the farmers further improved the area’s biodiversity, which has positive effects on animal health and thus indirectly adds to the farmers’ income.

‘If you manage the landscape well, biodiversity increases. You get for instance more grass species, which positively affects the cows’ health. And careful maintenance of the tree belts attracts more birds. They eat the insects that destroy the roots of the clumps of grass. So the more birds there are, the less insecticides you need. Nature and landscape management is thus economically advantageous. That is what I learned over the course of time.’

The work of the individual members pays off at regional level. The high natural values enhance the potential for rural tourism. In the VANLA area, extra energy is being put into the restoration of old sandy paths that now function as walking trails or cycle-tracks. Possibilities for water tourism (canoeing) are being explored as well.
The region’s potential is increasing through the co-operative’s activities. Many farmers are exploring whether recreation or tourism can offer greater perspectives. But this is still in its infancy. It will take quite some time, creativity and endurance to turn this into a source of income. You need to find a good marketable product or service.’

Active participation in the ‘nature track’ has made farmers more aware of the beauty of the surrounding nature. Instead of taking it as a self-evident part of the environment in which they grew up, they have started to look at the landscape they maintain through the eyes of outsiders who value it highly. The fact that they are now officially held accountable for the results has further increased their involvement with nature. Of course, farmers vary in their ‘love for nature’; some feel more connected to nature than others.

4.3.2 The Nutrient Mineral Management project

The second, ‘mineral’, track was created in response to a governmental measure that prohibited the surface application of manure and made it obligatory to instead inject cattle slurry manure into the soil. This method did not match the local farming conditions. The small plots and high groundwater levels in springtime were not suited to the heavy machinery needed for manure injection. More fertiliser would thus be needed to keep up the yields. This would, however, increase rather than reduce the nitrogen losses. Negotiations with the government on this specific point resulted in temporary exemption from the rules and an experimental status. Farmers made an agreement with the government that they would actively explore alternative ways to reduce nitrogen losses. From 1995 on, special activities were created to achieve this. For political reasons, the government decided in 1998 that exemption from the generic rules was no longer possible. Only within the framework of scientific research were farmers allowed to continue on this mineral track. This resulted in the Nutrient Management Project in which 60 farmers and scientists of various disciplines participated. This farmer-driven research has increased the knowledge and skills required to farm in a more sustainable way. The application of this new knowledge and skills appears to have resulted in better incomes for the farmers involved in the research projects. Other members, who started to apply the new methods and techniques have also benefited financially.

Within the Nutrient Mineral Management project, the farmers and scientists from Wageningen University together developed a farm management system that is ecologically and economically more sustainable (Eshuis et al., 2001). This system, known as the ‘cycle system’, entails improving nitrogen efficiency in plant, soil and animals. Formerly high levels of fertiliser and cattle slurry manure had lowered the soil’s capacity to utilise the minerals. This resulted in groundwater pollution. The high ammonia deposition from the stables had negative effects on the surrounding nature, including trees (acid rain). The core aims of the farm management system are to solve these problems and improve the efficiency of the separate elements of the production cycle, i.e. soil, plants, animals and manure, as well as their interrelations. The assumption is that a better manure quality and manuring techniques will improve the nitrogen efficiency of the soil and reduce the need for additional fertiliser. The manure quality can be influenced by adding an additive to the manure and by raising the quality of the fodder ration. Applied to the soil in a specific way (surface application;
light machinery), the improved manure produces a better-quality grass, provided that this is mowed at the right moment with the right techniques. Thus, improved manure triggers a process through which the quality of the soil is enriched. This has led to increased grassland production (Verhoeven et al., 2003), whilst better grass silage (containing more fibre and less protein) is having positive effects on cattle health as well as on the quality of milk (less urea content). Simultaneously, the adapted fodder for cattle results in the required new manure quality. Thus, the cycle is ‘closed’: the various single resources (improved manure, improved land, improved cattle feeding) are linked together in a new, self-supporting balance, which renders higher levels of sustainability, less dependency on external resources and an improved income (Koeleman et al., 2003; Van der Ploeg et al., 2003).9

‘Participation in the Nutrient Mineral Management project has opened our eyes to alternative farm management strategies. We learned that changing the fodder ration and using less fertiliser lowers the production costs without decreasing the grass yields. I think that we save now at least 2 eurocent per litre milk. Our milk quota is 430,000 litres, so it is not difficult to calculate our profit. Cost price control is the core of the strategy. This is definitely different from the mainstream strategy, which focuses on maximal output. Because membership of the co-operative also brought us financial compensation for the maintenance of the alder trees, we have a higher income than before.’

‘Although there is no hard evidence that the participants in the mineral project gained an economic advantage, the general feeling is that the costs for fertiliser and fodder have decreased substantially. We have also become more innovative; we now dare to follow pathways that are not yet advocated by experts.’

4.4 Human Resources, Including Local Knowledge

The added value of the co-operatives goes beyond improvement of natural and economic resources. Participation in the activities has had a positive influence on human and social resources as well. Farmers highly appreciate the co-operatives as a crucial source of new knowledge. Membership has made them aware of the potentials of alternative farm development strategies, increased their farming knowledge and skills, enhanced their social skills and feeling of self-worth and enlarged their understanding of political processes. Of course, active members gained more in these respects than passive members.

‘Enhancing my knowledge is an important reason for my membership. The co-operative is a source of knowledge and that is an advantage to a farmer.’

9 The knowledge generated in the mineral project is now more widely used among Dutch farmers. A feeding ration containing more fibre and less protein is now even promoted by mainstream fodder industries.
'I now have a broader orientation towards the future, I see more perspectives. VEL/VANLA has brought more opportunities within our reach. The co-operative is a source of information; knowledge about many different subjects is passed on. I have learned for instance a lot about trees and nature and I have acquired the skills needed for maintenance. Of importance to me was the knowledge other farmers generated in the Nutrient Management Project. I have been able to raise my income by using this knowledge in my own farming practice. (...) We as farmers have also gained more self-respect. Scientists, policymakers, government ministers and even a member of the royal family showed their interest and commitment. That was something to be proud of. At the same time it motivated us to continue.'

The above-mentioned tracks appear to be important ‘learning trajectories’ that generate new knowledge. The co-operatives use different methods and tools for learning and the generation of new knowledge, such as courses on nature conservation and landscape management, designed by the co-operative in collaboration with experts (e.g. from nature organisations). Regular meetings are also organised in which experts from varying fields make presentations. Excursions to the farms of colleagues in the region or to farms in other regions or even countries are popular as well. Broadening perspectives and identifying new opportunities are important aims of these visits. In addition to these more conventional methods, high value is attached to the potential of ‘learning by doing’, in combination with the exchange of working experiences within small study groups of neighbouring colleagues. The co-operatives have been stimulating these study groups within the context of the Nutrient Management Project. Farmers discuss their successes and failures in these study groups by making their methods and results transparent to the co-members. The diversity of farming styles in each study group appears to be of extra value. It enables the participants to improve singular elements of the production cycle and fine-tune the farm operation as a whole. An unconventional and important source of knowledge to further strengthen the resource base is farmer-guided scientific research. Farmers and an interdisciplinary team of scientists work together on issues put forward by the farmers. The dairy farmers carry out the research activities on their own farms and in their own fields. The different farming practices are thus ‘field laboratories’ (Stuiver et al., 2003) that unite different scientific disciplines. The observations and analyses are discussed between farmers and scientists, as well as among their own communities. The combination of farmer-guided research and the multi-disciplinary approach gives insight into the coherence and interaction between the different elements of the production cycle on the one hand and practice and theory on the other. At the same time, the research offers farmers and scientists insight into their different systems of knowledge. The new knowledge farmers acquire in the Nutrient Management project is made accessible to other farmers through broad dissemination of the results. A self-issued newsletter, publications, seminars and round tables are among the ways in which this is done. Receiving interested colleagues from other regions is a method to spread information as well.
The knowledge generated through farming experiences makes farmers less dependent on external knowledge and other external resources. Their decreasing dependency on fertiliser and fodder concentrates is a good example. The invention of a manuring machine adapted to local conditions is another.

Membership in the co-operatives, especially board membership, also adds to personal capacities. Societal recognition of their efforts (expressed for example through the awarding of one national and two regional awards for environmental and nature management) has strengthened the self-esteem of farmers. Board members stress their enlarged insight into politics and political decision-making and the ways this can be influenced by interest groups. Over time they have acquired the skills needed to exert political influence as well. In addition, they have gained good organisational and management skills.

‘I learned a lot from my administrative work. I now understand more about political decision-making processes and about the relationship between politicians and policymakers. We did a lot of lobbying to get the support of regional policymakers and sometimes had to mobilise politicians to exert influence on the policymakers. I now know that policymakers often frustrate decision-making processes.’

The participation in activities of the co-operatives strengthened some of the social values mentioned before. According to one of the leaders, social coherence increased. The farmers are more aware than before that co-operation pays and that they need each other to be a powerful actor in the region. More and more intensive contacts with colleague farmers are seen as a valuable resource.

‘We now know each other better than before. That is also important for future actions, for instance with respect to the legal re-division and reallocation of land. It is now easier to pick up the phone and to ask if some business can be done.’

Although no scientifically underpinned evidence is yet available, farmers also have the strong impression that the activities of the co-operatives have benefited the region as a whole. As one of the local leaders puts it, a new or renewed élan has emerged in the region due to the activities of the co-operatives and participation in these activities. One economic indication of this renewed élan is that the milk quota in the VANLA area has increased in the last few years.

‘This means that the farmers are doing well here. And that is actually amazing in an area that was already given up as agricultural area by society. The co-operative has brought new spirit to the region, it is a stimulus for the local people. The farmers are no longer just negative about developments. They accept their responsibility and make something out of it. They can do that because the co-operative supports them. The co-operative pulled the farmers out of the fire and stirred them up.’
The new élan, it is believed, has stimulated young people to start farming despite the difficult conditions. So farming as a resource in itself, as a livelihood, is again believed to offer perspectives.

4.5 Generating New Resources

Environmental co-operatives, including VEL and VANLA, are expressions of a new mode of rural governance and as such constitute a new political resource. This new mode of rural governance means that policy formulation and implementation is shared by the government and other actors (market, civil society) that are actively involved in the change process itself (Wiskerke et al., 2003). A pre-conditions for playing a role in rural governance is compliance with the principles of good and effective governance. Actors have the responsibility to meet society’s demand for sustainable rural development in their day-to-day practice; to be accountable and transparent with respect to their activities and results; to represent all stakeholders and ensure accessibility (ibid.). Compliance with these standards of good governance is assumed to result in an improved capacity to regulate the internal relations as well as the interrelations with the external socio-economic and ecological environment (Van der Ploeg et al., 2003a). Good governance is a unifying factor; it can stimulate more coherence in a region and yield a profit for all stakeholders. It implies increasing local control of development options. Considering their functioning and results, VEL and VANLA comply with the requirements of good governance and therefore can be seen as the expression of this new mode of rural governance.

Evidence of this good governance is the co-operatives’ successful negotiations with the government, which led to paid nature conservation and landscape management packages and exemption from generic environmental rules. Results of the ensuing projects provide additional evidence. For instance, 90% of the 60 farmers involved in improving environmental results realised the targets set for nitrogen losses for 2004 (180 kg N/ha). Some were even able to exceed the targets. These results are exceptional for the Netherlands. Increased biodiversity and more beautiful landscapes represent other examples. The good results are linked to regional networking and coalition building. The creation and strengthening of internal structures and the capacity of members to adequately deal with all the formal governmental requirements and monitor the processes are of equal importance.

The co-operatives build internal capacity in a number of ways. Self-developed learning trajectories help members master the involved nature maintenance and conservation techniques. Special sessions are also held in which members are assisted with filling in the proposal forms for nature and landscape management programmes. The government only accepts perfectly filled out forms, and achieving this can be a quite intricate and time-consuming process. A small group of self-trained members supports other members to improve their chances of success. The strengthening of the capacities and skills of the operational staff and management of the co-operatives are also part of their internal capacity building.

Good governance is also demonstrated through the co-operatives’ design of their own control methods. They established a so-called ‘Inspection Commission’ that monitors progress and the results of the nature and landscape management efforts of the individual farmers and checks whether they comply with the requirements of the contract between the co-operatives and the government. The relatively high number
of women who participate in these commissions was a deliberate choice. According to the co-operatives management ‘it is far more effective when women express criticisms. Men argue less and are more willing to accept the comments when women are the messengers’. For the women themselves it is paid work that can be easily combined with their work on the farm and / or at home. The work is nearby, part-time and flexible with respect to working hours. Apart from members, the commission also includes representatives of regional environmental and nature organisations, among others. Good governance is also reflected in the specific skills and capacities of staff and leaders, such as negotiation skills, advocacy skills (e.g. public speaking), networking skills and decision making skills. These skills are demonstrated in their ability to prioritise and summarise issues, provide feedback, chair or facilitate meetings, manage time constraints, brainstorm, reach conclusions and listen.

4.6 New Developments Translating into New Resources

The two co-operatives presented here represent a turning point in Dutch rural history: since their establishment in 1992, more than 300 similar rural co-operatives have been started by farmers and other rural inhabitants in the Netherlands. In their own region four new co-operatives have been founded. The merging of VEL and VANLA into one larger environmental co-operative, the ‘Noardelike Fryske Wâlden’ (NFW), is a rather recent regional development. This co-operative unites six single regional environmental co-operatives. Apart from VEL and VANLA, this includes the environmental co-operatives ‘Wâld en Finnen’ (1996), ‘It Kollumergrien’ (1998) and ‘Smelne’s Singellân’ (2000) and ‘Vereniging Agrarisch Landschapsbeheer Dantumadeel’. To give an impression of the size of the NFW: the area concerned covers some 50,000 hectares and five municipalities. Approximately 1000 farming families are active in the area, more than three-quarters of which are currently members of the large co-operative. Non-farmers are involved in the activities on a voluntary base (such as the meadow bird protection programme previously mentioned).

The NFW aims at developing and implementing an adequate, efficient, integral and innovative rural policy. Quality improvement of the rural region and strengthening the regional economy are central objectives. It wants to extend the approach of VEL and VANLA to the whole region as well as to deepen and broaden its activities in order to realise a more integral approach. Within this framework the local stakeholders have identified eight ‘niches’ or ‘fields of activity’ that can be integrated to create more synergy:

- Nature and landscape management (possibilities created by natural environment, new societal demands, traditional knowledge and skills in this field, new policies including European rural development programmes and national schemes)
- Improvement of environmental quality and water management
- Product quality and chain management
- Promotion and recreation (improved image and high nature value enhance potential for green tourism; attractions include well-kept old villages with specific architecture)
- Decrease of operating costs
Improvement of animal welfare and animal health
- Establishment of a soil bank
- Green energy production (windmills, water, bio-mass)

For each field various initiatives have already been developed and tried out\(^{10}\).

Like the previous co-operatives, the NFW serves as a legal body and acts on behalf of its members in dealings with governments and other stakeholders. For governments this implies a reduction of both the administration costs and the time needed to monitor fulfilment of agreements. The NFW further mediates between the farmers and other landowners, and between farmers and involved governmental agencies. The new co-operative provides added value (a ‘win-win’-situation) for all the stakeholders. The benefits include optimal utilisation of governmental programmes for agriculture and rural areas – in part because the sometimes conflicting policy plans, programmes and rules will be merged into an area-based and workable whole. Such a broad organisation can also more effectively stimulate innovation and allow for the circulation of leadership.

Finding new leaders to replace those ready to retire in VEL and VANLA proved to be a difficult task, because there were few capable and willing candidates available in the relatively small areas covered. It is expected that the larger area represented by the NFW will provide more candidates.

The creation of NFW did not dissolve the separate environmental co-operatives. Each remains active in its own area, but some administrative tasks were transferred to NFW. It also relieves some of the burden for local board members, among other ways by decreasing the number of meetings required.

The farmers had mixed feelings about the fusion. Some were afraid that their specific interests would get lost in the larger whole, as was the case when local milking and banking co-operatives merged. Others were very positive and see many advantages, such as broadening of the issues and thus of knowledge, new impulses for farm management and development and greater political power.

‘I don’t consider merging as progression. My fear is that the VANLA-co-operative of which I am a member will vanish within five years. And who then will know what VANLA meant and who belonged to it? The same happened to the Waterboard. We farmers have never got anything out of merging. Look at the merging of the milk factories or the banks. It will become more difficult to defend our specific interests when we become part of a larger whole. The majority of the members will feel less connected to the specific situation in this area. And the distance between board and members will grow and the information channels will become longer. It will become more difficult to directly and quickly arrange things and the personal approach will disappear.’

\(^{10}\) At the end of 2008 their nature- and landscape management efforts included among others 10,500 hectares of meadow bird protection; management of 150 km of hedgerows, 1500 km of alder tree belts; hundreds of pools; and 800 hectares of farm plot edges (http://nfw.wisl.nl/).
‘In my opinion merging into a larger whole is not disadvantageous. It is no threat; I actually see it as an enrichment. Farmers elsewhere have different problems and we can learn from that. Diversity adds something and is inspiring.’

5. The Links Between Values and Resource Development

The development and integration of resources, according to the new and more sustainable balance described above, is strongly inspired and informed by the commonly shared values. Figure 2 gives a synthesised overview of the most important interrelations. It shows how the notion of ‘responsible farming’ feeds into an integrated process of improving the most relevant material resources at farm enterprise level. That is, the quality of soil, feed and fodder, cattle and manure is improved and the resource base as a whole is re-balanced in such a way that mineral losses are decreased and income levels are improved. Again, crucial for achieving ecological and economic success is the creation of congruence between the separate resources. In other words, it is essential to link the natural, social, human and economic resources in such a way that a new and more effective balance is created. Only then can the economy at farm level be strengthened, which in turn will strengthen the regional economy.

The figure also shows how the notion of stewardship translates, at the level of the landscape as a whole, into more biodiversity and enriched landscapes. These ‘collective’ resources emerge as new income opportunities. The notions of ‘autonomy’, ‘reliability’ and ‘pioneering spirit’ translate into the emergence of the co-operatives as new, powerful resources that improve access to national programmes (e.g. nature management), enlarge participation and influence in decision-making processes at national and regional level (policymaking, applied research), etc. Figure 2 also shows how the co-operatives as a new resource contribute to the improvement of resources at farm level: the newly created opportunities and especially the new learning tracks are decisive here. The co-operatives as a newly emerged resource also allows for improved stewardship at regional level through negotiated arrangements with the state and internal control mechanisms (e.g. the Inspection Commission).
6. Relations with the Institutional Environment: Creating an Enabling Environment

Figure 3 synthesises the institutional pattern in which the VEL and VANLA co-operatives are operating. In the figure, three levels are distinguished. The outer circle refers to the reigning ‘regime’ (see for an extended discussion Roep et al. 2003 and Wiskerke et al. 2003). It corresponds to the major interest groups and dominant institutions. The inner circle is composed of the two co-operatives that together create ‘experimental space’, within which new, original patterns of endogenous development are moulded. Following the concepts as developed in transition theory, we could refer to this inner circle as a ‘strategically managed niche’ (Van der Ploeg, Roep and Wiskerke, 2003b). The trajectories as developed within this niche are in several ways at odds with the logic of the reigning regime (the outer circle). What is crucial then is the ‘intermediary circle’: that is, the network of institutions, actors and mechanisms that composes a kind of cover, or defence line, that allows VEL and VANLA to pattern their own, endogenous way forward. The main actors involved are Members of Parliament (notably the ones of the Standing Committee on
Agriculture) who support the farmers in defending and regaining the needed political space and a group of Wageningen University researchers who forged the VEL/VANLA experience into a ‘field laboratory’. Additional actors are provincial authorities, who effectively shielded VEL and VANLA from severe attacks emerging from the national farmers’ union LTO, and, last but not least, a range of involved NGOs, including environmental organisations. Together they function as mediation mechanisms. They effectively support the co-operatives and are helpful in creating the required exceptions in national legal frameworks, etc.

Figure 3. The support structure of VEL and VANLA

6.1 An Elaboration on the Institutional Environment

An enabling institutional environment is of crucial importance for the development and protection of niches and system innovation. Protected spaces are needed for learning and experimentation (ibid.). The environmental co-operatives VEL/VANLA can be considered as niches working towards system innovation in the dairy sector. Yet, their institutional environment is far from enabling, as they encounter substantial opposition from different sides. The farmers’ union for instance is not very supportive and the interests of the involved dairy farmers and other stakeholders also vary. Local citizens, politicians, policymakers and scientists can have their own agendas involving conflicting needs. Likewise, not all farming men and women automatically share the same needs and interests. Dealing with these controversies is a core issue in creating the necessary enabling environment. Change agents or change catalysts (‘uncle’ in
Theories about transition processes play an important role in this process of creating protected spaces. They might be farmers, scientists, individual policymakers, politicians, extension workers, governmental agencies or influential NGOs. Through networking, building alliances, advocacy, lobbying or mobilising financial support, they can help create and expand the needed space, for instance in terms of rules and regulations. Over the years the environmental co-operatives have built up a support network that includes quite a number of influential change agents.

A lesson learned so far is the importance of having change agents at all levels. The viability of environmental co-operatives depends on the simultaneous participation, input and influence of various stakeholders. Another important lesson is that change agents themselves might need protection as well.

6.2 ‘In-situ’ and Farmer-driven Research

Co-operation with scientists has been of crucial importance for the successes achieved so far. As described before, results from research carried out in the region played a key role in the founding of the co-operatives. It revealed that 95% of the farmers in the region were willing to play an active role in nature and landscape management, provided they received reasonable financial reward. This was a taboo-breaking result because it was at odds with the dominant image of a good farmer. At the same time, the research showed that nature and landscape management fitted in with the various farming styles in the region.

In subsequent phases of the development process, co-operation with scientists and the role of research remained of key importance. Initially, only rural sociologists were involved, but later a multidisciplinary team was put together consisting of economists, biodiversity specialists, soil quality scientists, experts on cattle breeding, forage, manure, and plant production and even mathematicians and communication experts. Research focused to a great extent on operation of the Nutrient Management System. The aim was to re-balance the soil-plant-animal interactions in such a way that nitrogen efficiency in dairy farming systems would increase, which would reduce the environmental impact caused by nitrate and ammonia emissions. Another research question concerned the institutional environment and what changes would be needed in order to achieve results. Economic sustainability continues to be an important point on the research agenda. Apart from the cost-reducing effects of re-balancing the soil-plant-animal cycle, the profitability of nature and landscape management arrangements is being explored along with the economic potential of various alternative farming ideas and initiatives developed by residents in the region who are not farmers.

Scientists stress that their own involvement in the project presents specific challenges for them as scientists. In addition to addressing the research questions noted above, they hope to learn more about how to enhance the design capacity of science. Research could thus also look at how to give shape to self-governance, what kind of problems arise, how can they be solved, and how can multi-disciplinary approaches be developed.

An important characteristic of this scientific research is that it is ‘in-situ’, that is, carried out on the farms themselves. The farm is thus transformed into a ‘field laboratory’ (Stuiver et al., 2003). This implies that both farmers and scientists participate in the research, and they both provide and generate specific kinds of
knowledge. A second characteristic is that the research agenda is strongly farmer-driven. Farmers participate in the board that controls the research. In board meetings – (that last two days and are held twice a year) the research agenda is discussed and decided upon. Farmers and scientists have their own research agendas, which overlap to some extent. But farmers have a decisive voice in the decision-making process. If they oppose a specific research programme, it will be removed from the agenda unless the researchers can convince them of its relevance.

Within the mainstream scientific community, both the researchers involved in the VEL/VANLA research and their research methods are contested. Opponents are especially numerous among applied scientific researchers, who traditionally have close ties with agricultural and rural policy and thus can be considered as co-designers of those policies. They take the view that the environmental goals set by policymakers and politicians can only be achieved through the officially prescribed ways. So the findings of the research carried out for VEL/VANLA are not taken seriously. They criticise the methods used and question the professionalism of the researchers involved. Scientific status and access to financial resources are at issue here. Since some of the opponents are also involved in the allocation of financial resources for research, it could be stated that mainstream researchers thus inhibit endogenous development.

6.3 Support Versus Resistance at the Administrative and Political Levels

Endogenous development faces obstacles of a different nature at administrative and political levels, including administrative and political opposition, ignorance and a lack of understanding. An area-based approach implies dealing with a broad range of issues that crosscut many policy fields and policy levels. For instance, several government ministries are involved (e.g. Agriculture, Spatial Planning, Economic Affairs) and within those ministries different boards play a part in the projects. All of them have their own agendas and own ‘rules of the game’. Additionally, several privatised governmental organisations and agencies participate in the decision-making processes. At the same time, newly introduced models of governance (more decentralised and bottom-up) may also cause problems. A lack of knowledge, co-ordination and coherence, conflicting competencies and old routines stand in the way, as does the ever-expanding web of rules and regulations with which farmers have to comply. Deviation from the generic rules, such as by applying manure above ground in the VEL/VANLA experiment, is seen as an obstruction deserving of sanctions. To break through these obstacles and actually achieve results, knowledge and negotiating, lobbying and organising skills are needed – as well as plenty of energy and endurance. Internal organisational development of the co-operatives thus continues to be a core concern. This encompasses building a network, obtaining commitment from administrators and politicians and engaging them in co-operative activities. This is achieved among other ways by organising excursions to the area, holding political meetings with influential keynote speakers and disseminating relevant information. So far, the leaders of the co-operatives have succeeded in gaining the administrative and political support of some key actors. Almost right from the start some political support was obtained at local and regional level, from a member of the provincial government among others. Some politicians at national level, many of whom were born or living in the region, agreed to promote the VEL/VANLA initiative through their work for the
Parliamentary Commission for Agriculture. Even the then Minister of Agriculture gave farmers permission (as an exception and within the framework of an experiment for innovating governance and mineral management) to deviate from the cattle slurry manure regulations. One of his successors gave his first public speech at a meeting of the co-operatives. Like these politicians, some policymakers at different levels recognised the potential of the environmental co-operatives. This was expressed in particular by the open attitude of local and regional administrators. Early on, the Ministry of Spatial Planning even granted an award to the co-operatives as a sign of appreciation from the national level. With the accompanying funding, the co-operatives were able to make an implementation plan and expand their network. This of course increased the co-operatives’ political status and influence. Today, VEL/VANLA has to be consulted before regional development plans can be approved. In this way the co-operatives can have a significant impact on the regional political agenda.

6.4 Civil Society Organisations

The co-operatives network includes civil society organisations. Environmental and nature organisations were among the first stakeholders with whom strategic partnerships were formed. Later, consumer organisations and regional tourism and recreation organisations followed. Together they have a considerable social basis in the region and thus represent a group to consider when policy plans affect nature and landscape or environmental issues. Partnerships are possible because the farmers involved in the co-operatives seriously consider the arguments of the NGOs concerning pollution, animal welfare, decreasing biodiversity, standardisation of the landscape and food safety. The farms participating in the co-operatives are adjusting their farming practices in response to these partners’ criticisms.

There is still potential to expand the support network by involving other societal groups, such as innovative rural women. This linkage would be advantageous for both groups. The co-operatives could get inspired by the rural development projects women initiate and it would also expand their support basis. The women in turn could gain more influence at political level if their needs and visions were voiced through the channels of the co-operatives. The mainstream farmers’ union – an umbrella organisation for farming men and women – leaves very little space for innovative women to express their own vision and voice, nor does it actively promote their interests. The strong male culture within the union and its choice to continue the modernisation project (and thus implicitly to primarily promote the interests of members with large farms) form additional obstacles.

Naturally the environmental co-operatives have to deal with opposition from the mainstream farmers’ union as well. And as the results of the co-operatives become more and more promising, this opposition grows.

The institutional actors that do support the VEL/VANLA initiative are part of each other’s networks. They exchange information, consult and co-operate so their joint impact is even greater. This is called synergy.
7. A Provisional Analysis of Economic and Ecological Proceeds at Farm Level

In the period between 1997 and 2001, data were gathered on the economic, agronomic and ecological performance of 57 farms in the VEL/VANLA area. The farms are categorised by the extent to which they have adopted the VEL/VANLA’s Nutrient Mineral Management approach and by how long they have been involved in the project. Full adoption means an integral application of the ‘cycle’ principle, while farmers who partially adopt this approach only apply some of the steps. As described above, the ‘cycle’ principle aims to raise incomes (by decreasing costs and increasing profits) and simultaneously lower the ecological impact. It entails a specific and coherent management of the production and use of cattle slurry manure, soil and grassland, the fodder regime, and the cattle breeding programme. The underlying theory is that better manure (i.e. natural instead of artificial fertiliser) used in the right way will improve the soil quality. This will have a positive effect on the grass quality without affecting quantity. Subsequent mowing of the grass at a later moment than usual results in a changed composition of the grass structure, which in turn reduces the need for concentrates in the diet of the cows. The changed diet improves both animal health (fewer diseases, longer life) and the milk produced. The latter now contains higher percentages of fat and protein and thus yields a higher price. The diet further improves the quality of the manure, which pays off in terms of soil quality and ecological advantages (improved N-efficiency). The reorganisation of forage production, diet and production of manure results in a decrease in milk production per cow. The farmers deal with this by milking a few extra cows.

Provisional analysis of the data shows that farmers fully engaged in the VEL/VANLA project, i.e. in both the mineral ‘track’ and in the paid nature and landscape programme, realise the highest incomes. Further, those with the best results have been involved in the programme for the longest period. On average the latter group earns approximately 4.5 euro cents per litre more than farmers who are not participating in either the mineral nutrient programme or in the paid nature and landscape activities. With an average annual milk quota of almost 400,000 litres, this means an extra income of 18,000 euros per farm. This amount is exclusive of the extra costs the farmers incur, so the actual extra profit is a little lower.

The same trend appears when income from nature and landscape management is excluded and also when organic farmers are excluded (see table 1; Van der Ploeg et al., 2003a).

11 Because the data set is not yet complete and uniform, the analysis of some data is based on a smaller group of farms.
12 This analysis was made before the introduction of the euro, so the actual value at the time was 10 guilder cents per litre milk.
The data in table 1 show that 'time' is a key factor in optimising the extra income resulting from this new approach. Farmers who apply the new approach for the full project period achieve the best results. Re-balancing the production system takes time and only then does it pay off maximally.

Further analysis reveals that the extra profit is generated through both extra income and cost reduction. Extra income is created through various channels. The higher milk price for the increased milk quality is of course significant, but better spreading of milk production over the year also helps. Additional income is also raised through paid nature and landscape management and the selling of small cattle. A cost reduction is realised through lower use of fertiliser, concentrate and sperm and lower veterinarian and contractor expenses. Cutting back the costs appears to be a longer-term project due to the time involved in creating a more natural balance in the manure-soil-forage cycle.

Further cost reduction could be realised if government rules concerning manuring methods change, i.e. if the government allows farmers to apply cattle slurry manure on top of the soil (instead of injecting it into the soil). Permission to use a self-developed environment-friendly’ manuring machine would also lead to an extra cost reduction. Research is currently being conducted on the effects of these methods, but positive results will not necessarily lead to new rules. This would require further advocacy and lobbying at the policy and political levels.

A second analysis looked at the development of the surplus per 100 kg milk on the participating farms during the project period. Three groups emerged: group one started with the highest surplus and this increased steadily during the project. The second group had a lower surplus at the start, but the surplus increased during the project period at a relatively higher rate (though it still remained substantially lower per 100 kg than that of group one). Group three’s surplus started in between the other two, but the farmers involved saw their surplus per 100 kg milk decline during the measuring period. A (fourth) reference group of comparable farms outside the area...
started at the level of group three but experienced a relatively sharper decline in the surplus per 100 kg milk.

A following analysis of the composition of the three groups revealed that more than half (54%) of the farms in group one used the VEL/VANLA Mineral Nutrient Management model integrally. Group one did not include any non-participants. The analysis also revealed that the ‘cycle’ model needs further adjustment: almost one third of the farms that fully adopted the new management system had no positive effect (31%). The surplus level of this group of farms, which was low at the start, even decreased. Adjusting all the different parts of the nutrient mineral cycle to fit the cycle model did not translate in these cases into financial advantage.

It is quite intriguing that the most successful farmers appear to have the smallest farms. Their milk quota is 40% lower than that of the other two groups of farmers. It could be that smaller farms have more room (in terms of labour and working schedule) to fine-tune their production process, to experiment with innovations and to learn by doing. Recent innovations in the Dutch horticultural sector support this assumption. Almost all the innovations (both product and process innovations) appear to come from smaller enterprises. As soon as the innovations were translated into products and methods that could be used on a larger scale, they were taken over by the large and specialised horticultural enterprises. In the VEL/VANLA co-operatives a similar development can be discerned. Innovations developed on smaller farms are passed on to the bigger farms through study clubs and participation in the Nutrient Mineral Management project. In this way a so-called ‘district’ emerges. The concept of ‘district’ refers to a cluster of farms co-operating together and thus creating competitive advantages. Mutual trust and development and exchange of knowledge are crucial values within the district. Contrary to the general trend, small farms are highly valued within the district for being innovating spaces. Through co-operation and a division of labour between the small and the bigger farms, the economical basis of the farms is strengthened.

Economic advantage or progress appears not to be an obstacle for ecological improvement. On the farms with the highest extra income (i.e. integral adoption right from the start of the project), the nitrogen surplus decreased from 188 kg N / ha in the first year of the project to 148 kg N / ha in the fourth year. Their specific approach thus results in both economic and ecological progress. It can be concluded that using and further developing the VEL/VANLA approach makes farms more robust. This is of specific importance considering the difficult natural farming conditions in the region.

The successes at farm level translate into regional economic advantage. The farms that integrally adopted the VEL/VANLA approach (n=17) contribute a gross added value of 225,000 euros to the local economy. If all the farms in the northern Friesian woodlands applied this approach, this amount would increase to almost 15 million euros. The economic potential of the VEL/VANLA approach is thus promising, both at farm and regional levels.
The Netherlands – The VEL/VANLA Environmental Co-operatives

Literature


Chapter Three
Italy – Multifunctional Agriculture Breathes New Life into Mountainous Areas
The Case of Abruzzo

Sabine de Rooij and PierLuigi Milone

1. Introduction
After a period of serious decline in economic, ecological and socio-cultural respects, new perspectives have emerged in Abruzzo, a region located in the Apennine Mountains in Central Italy. Several endogenous development initiatives are the driving forces behind this recovery and farming is the backbone of these efforts. The very successful initiatives described in this chapter can best be understood through the concepts ‘economy of scope’ and ‘network economy’. Economy of scope refers in this case to the practice of multifunctional farming, that is, a way of farming that integrates a range of added functions within the farming practice and so raises the income of farmers as well as contributes to rural sustainability. At farm level, multifunctional agriculture leans on two main pillars: the deliverance of new rural services and the production of extra added value. The latter is gained by responding to 'consumers' concerns with regard to the environment, health, animal welfare as well as growing consumer's demand for region-specific products of high quality' (Oostindie et al. 2006:47). Economy of scope is the alternative to 'economy of scale, and is based on decreasing the cost price through scale-enlargement, specialisation and intensification.

The concept of network economy implies promotion and marketing networks that operate independently from the mainstream infrastructure and trade relations. In the present case, farmers govern the network. By 'shortening the chain' farmers can decrease transaction costs and increase their control of production and the marketing chain.

2. Abruzzo
The Abruzzo region is unique. In 1923, large parts of the region were granted the status of national park due to their rich biodiversity and valuable landscapes. The Abruzzo National Park is the oldest and most important national park in Italy. The area covers 44,000 hectares that are intersected by different rivers; it contains twenty-two small towns and villages. The park encompasses massive forests with

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13 The information for this case study was collected in 2004 by interviewing three farmers (two pioneers and a young farmer), two researchers and policymakers. Additional information was extracted from written resources (scientific research reports, newspapers, websites). The PhD thesis of PierLuigi Milone (Wageningen University 2004) was a key resource. The case is described in 2005.
numerous types of trees and other plant species. Many types of birds and other animals find shelter in the park, including the formerly endangered Marsican brown bear (the symbol of the park), Apennine wolf, lynx, fox and mountain goat. During spring and summer, large herds of domesticated sheep graze in the mountain pastures. After a decades-long interruption, the old regional custom of ‘transhumance’ – shepherds moving their flocks in early spring from pastures on the plains to mountain pastures – was re-established. In 1980 the park was divided into various zones. The fully protected areas are not accessible for visitors. Other zones have more flexible rules and are open to people who want to farm or just enjoy the natural beauty of the area.

Agriculture used to be the main economic activity here but due to economic and political factors, agricultural activities gradually decreased. This precipitated a decline in other aspects of the area, such as its ecological values. This downward trend has now stopped, thanks in large part to the innovative activities of a few pioneering farmers. They have shown that successful farming and nature conservation can coincide very well in this region. They have also demonstrated that farming can function as a carrier for local rural development. The cornerstones for this success are utilisation of local resources and the multifunctional use of on-farm resources.

2.1 The Context for Innovation

Traditionally, livestock farming was an important economic and ecological activity in the Apennine Mountains. The Abruzzo region was specialised in sheep and goat breeding, and used to be the main wool-producing centre in Italy. Village names and surnames still reflect this history. Also local traditions including fairs, village festivals and gastronomic events (‘sagre’) show that sheep and goat breeding once played a major role in the lives of the local population. Moreover, sheep and goat grazing and the associated methods and knowledge played a crucial role in the maintenance of the specific ecosystem. This radically changed when wool production moved to countries with cheap labour. Sheep breeding thus lost its economic relevance and began to decline. This process was speeded up by the concurrent agricultural modernisation process taking place in Europe. Although the Italian government designed a policy to save sheep breeding in mountainous areas, its efforts failed. The policy, focused on privatisation of pastures and specialisation of lamb meat production, breeding and animal disease control, did not match mountainous conditions. The strategy of making more intensive use of pastures resulted in a weakening of this key resource. In the end, the pastures even became unsuitable for sheep grazing. Hence, many sheep farmers had to stop farming, and the sheep stock declined. This decline was relatively sharp in Abruzzo, and accompanied by more intensive biodiversity degradation as well as soil erosion. The official institutions blamed the remaining farmers for this decay and assumed it was due to a lack of professional skills. The farmers in turn blamed the government and ascribed the problems to the generic character of governmental policies and rules. They argued that policymakers should have taken account of the different production conditions in the plains, hills and mountains. The source of the problems, they believed, was clearly the government’s non-participatory approach:

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*15 Trees like beech, pine, wild apple, pear, cherry, oak, hazel, yew, maple, fir, ash and, rarely, holly. Plant species include gentian, violet, peony, forget-me-not, iris, columbine and orchids, of which Venus’s little shoe is the most famous (http://www.regione.abruzzo.it/TURISMO/en/parchi/nazionale/index.html)*
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the farmers had not been consulted in any stage of programme design and development.

2.2 Recognition of the Relevance of Traditional Ecological Knowledge and Farming Practices for Ecosystem Management

Initially, the decreasing agricultural activity in the region did not raise much public concern. It was perfectly in line with regional and national park policies, which were based on the idea that agriculture and sheep breeding cannot coincide with nature conservation. Farmers’ experiential knowledge that without regular grazing biodiversity will decline was ignored. However, as the ecological damage became more visible, policymakers and park officials could no longer disregard the links between the need for interventions and the rapidly decreasing sheep breeding. The policy of expanding forests had also been less successful than expected. At the same time, scientific research (see references in Milone, 2004) underpinned the farmers’ argument that extensive (sheep) grazing, if attuned to the carrying capacity of the soil, is a crucial link in balancing the Apennine ecosystem. The emergence of a clear connection between agricultural activity and the prevention of erosion, landslides and hydro-geological damage also supported the idea that another approach was needed to safeguard the ecological resources. Taken together, these factors convinced regional authorities and policymakers to change their minds about mountainous pasture management. They realised that without grazing and farming activity a valuable asset would be lost.

2.3 A Weakening of the Regional Economy

Another equally important factor in altering general opinion was the serious weakening of the regional economy. The following figures, gathered from research (Milone, 2004), show that the economic damage in the Abruzzo region was considerable.

Between 1991 and 2000 the total operational margin for the farmers fell by more than 31 million euros, whereas the loss in gross value production (GPV) was more than 57 million euros. Almost two-thirds of this latter amount (63% or 36 million euros) was linked to the decline of the sheep stock. Likewise, regional employment decreased and compared to other Apennine mountain regions, the loss of jobs in the sheep and goat-breeding branch was relatively high in this area. Expressed in AWU (annual working unit), the loss was 4,376 AWU of which 3,050 AWU were in the sheep and goat-breeding branch. In the cattle-breeding branch the loss amounted to 1,326 AWU. Of the overall employment loss in the five Apennine mountain areas (18,000 AWU in the involved period), a quarter (24.4%) was concentrated in the Abruzzo region.

The deteriorating economic situation instigated a process of out-migration that eventually led to the abandonment of many ancient mountainous settlements. This in turn affected the liveability in the lower parts of the region: villages’ service levels deteriorated, social life was impoverished and cultural traditions faded away. Tourists started to spend their leisure time in other areas, in part because the landscape created

16 17% between ’91 –’00 of which one-fifth concerned permanent pastures, Milone 2004
17 1 AWU= 2100 hours or 250 working days
by modern agriculture was less attractive and they regretted the decay of the ‘Stazzi’, i.e. open stables in the mountains used by shepherds and their herds.

Once the exodus of people and degradation of services became clearly noticeable, some concerned individuals sounded the alarm. Various NGOs, policymakers, politicians and representatives of local and regional institutions responded to their concern and took action. Halting regional rural depopulation was placed high on the national and regional policy agendas. It was also recognised that past interventions had not been adequate to conserve the ecological resources in the area. New EU agricultural and rural policies in the nineties reinforced this change in point of view. Official recognition of organic farming at EU and Italian national level was important. The fact that the new Rural Development Policy of the EU offered new tools was helpful as well.

2.4 Endogenous Initiative

A local farmers’ initiative that had significant positive economic and ecological results played a crucial role in the revival of the region. This was a multifunctional farming project launched by a couple of sheep farmers who were convinced that sheep breeding in mountainous areas could be successful. The concept of multifunctional farming is explained in chapter 1.

A vital element in the farming strategy of these sheep farmers is that they focus not on the (world) market for agricultural products but on broader societal needs and priorities. They try to meet societal demand for sustainable management of natural resources, food safety and more and qualitative better jobs (Ventura and Milone 2004: 41).

According to recent research (Milone, 2004), farmers who choose this economy of scope strategy and participate in related farming networks generate higher incomes than farmers who practise economies of scale. They also create positive societal benefits by satisfying growing consumer interests in safe and quality food and in region-specific products. In addition, the pioneers prove that farmers are indispensable for maintenance of crucial resources, such as valuable ecosystems, soil fertility, the geophysical balance, local know-how and traditions.

The positive ecological and economic results of the farmers’ approach drew the attention of regional policymakers. Being aware of the economic and ecological vulnerability of the region and the necessity to take action, they decided to support this strategy. After some time, multifunctional farming even became a spearhead of regional policy. As Ventura and Milone (2004) observe, the pioneers initiated in fact a ‘quiet revolution in agriculture’. At present, the institutional back-up comprises funding, technical support, educational programmes, information, and political and legal support.

In the following paragraphs, the different factors of success of the pioneering sheep farmers’ approach will be further elaborated.

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18 See chapter 2 for further elaboration of the concept of endogenous development.
3. Development of the Abruzzo farmers’ Initiative

3.1 Three Pioneers

Manuela Cozzi and Nunzio Marcelli are two of the pioneers. Nunzio is a farmer’s son born and raised in the region. When the two met, Nunzio had just graduated as an economist from Rome University. Instead of pursuing a career in the city, he wanted to follow his passion and become a shepherd. He also dreamed of making the region liveable again. Manuela, who was born in a village in the north of Italy, was at that time conducting agronomic research in the area. Through this research, including the discovery of at least 120 different herbs in the pastureland, she also became personally attached to the region. Together the two began to dream about the possibilities of creating a livelihood in the area and about its potentials. Manuela:

‘For self-realisation, everyone needs an aim in life. Our dream was to valorise this mountain again. We wanted to prove that farming activities could be sustainable in this area. We considered endogenous resources the most fruitful basis to realise this dream. We believed that productive activities based on and derived from sustainable sheep breeding in the mountainous pastures would have potential. We also wanted to create new employment, new job opportunities, to prevent people from leaving the region. We made a bet that we would succeed. We wanted to show the people that it was possible to achieve something.’

When Manuela and Nunzio started a farm in Anversa, a village in the centre of Abruzzo National Park, there was no local farming activity there anymore. After reflecting on different options they decided to choose a) organic farming as this was in line with the traditional practice of mountainous pasturing, and b) multifunctional sheep breeding in which all the separate products originating from the sheep would be valorised. In this way they would not be dependent on only one (oversupplied) market for lamb meat. To be able to buy land and start farming, they decided to keep their full-time jobs for a while. Nunzio worked as a teacher and Manuela as an agronomist. In 1977 they established together with seven family members the ‘Co-operative ASCA La Porta dei Parchi’ (see Box 1). At that time they owned 20 hectares of land. In 1983 they started animal breeding activities with a herd of 160 head and 56 hectares of land. In the years before, they had been busy building up the herd. In 2004 they owned 1500 sheep and 15 cows and they had 110 hectares in use.

Manuela and Nunzio never dropped their jobs completely. Manuela works on the farm and has a part-time job as director of an EU LEADER project. Nunzio combines being a farmer with a part-time teaching job. He further spends considerable time on advocacy and lobbying activities focused on improvement of the conditions for multifunctional farming in mountainous areas. In the past, he was also a member of the technical staff of one of the Ministers of Agriculture. This provided him with the opportunity to enlarge his network and to influence policy. Multifunctional farming requires dedication of the involved farmers. Manuela, for instance, presently has a working week of 7 days with working days of 16 hours. She works 6 hours a day as a director of the LEADER project and 10 hours a day on the farm.
A third pioneer is Gregorio Rotolo. Like Nunzio, he was born and raised within a local farmer’s family. Though his parents wanted him to choose another profession, he could not resist his passion for sheep raising and breeding. So he left college after one year. With the money his father had given him to finance his studies, he secretly bought a herd of sheep, went up to the mountains and stayed there for six months tending his sheep. After this trial period he went to his father to tell him what he had done and that he had decided to become a shepherd instead of a priest. The father, understanding that Gregorio had a passion for sheep farming, gave him his blessing and then Gregorio started to farm. After some years, his nephew Dino Silla decided to join him, and Gregorio’s mother now also participates. In 2004, their herd comprised 1500 sheep.

Eventually, the three pioneers started to work together and this gave an extra boost to the development of the area.

**Box 1. The strengths of ‘Cooperativa Agricturistica ASCA’ include:**
- strong will of initiators to achieve the objectives
- respect for tradition as well as strong motivation for innovation
- good entrepreneurship
- a multifunctional farming strategy, i.e.:
  - adoption of multiple activities by owners
  - diversification of products
  - the search for added value for each single product
  - creation of long production chains within the farm
- good technical training of labourers
- mobility and flexibility of labourers

Source: flyer made by Manuela and Nunzio

### 3.2 Reconnecting Local Resources as a Strategic Choice

To create extra value, the pioneers chose to minimise their dependence on external resources and make multiple (and sustainable) use of endogenous resources. The range of endogenous resources is broad and it includes the following:

- **The mountain pastures.** Manuela qualifies the pastures as their most valuable resource. It provides cheap and nutritious fodder, whereas the rich flora allows for product differentiation and high-quality products. Traditionally, the mountain pastures are public property, which all shepherds can use for their herds. This tradition was still intact when the pioneers started farming, so access was no problem. Access to ‘lower’ land, also needed to start the farm, was made possible by subscription to a national programme for young farmers. Through this programme, land could be bought against a low interest rate. After five years, Manuela and Nunzio bought five hectares and started the farm.
- **Paid jobs outside the farm.** During these years they both had full-time jobs. Off-farm jobs are important in terms of extra income, access to relevant information and networks and for social contacts.
- **Traditional local breed of sheep.** This was needed to maintain and reproduce the pastures.
Nature, landscape and local cultural traditions. These resources serve to attract tourists, and agro-tourism is a booming source of income.

Local real estate. Empty farm buildings and village properties have been restored to house tourists (a restaurant, sleeping accommodation), to sell their products (shop) and for educational and creative activities (courses). Manuela has created an office for her off-farm job in one of the farm buildings as well.

Human resources. This includes labour power, knowledge, skills and cultural heritage (including local traditions), expertise (on pasturing, traditional cheese making, local food habits and cooking traditions) and the newly created local resource of co-operation between farmers. Relationships with other relevant actors (personal relationships, partnerships with organisations, networks and alliances) are powerful new resources as well.

Important external resources that facilitate the development of the initiatives are for the most part institutionally provided resources, i.e. formal schooling and training programmes, extension, research, subsidies (EU, national, and regional), and various EU programmes aimed at the valorisation of rural areas. Basically, all farmers in the area have access to these resources but experience proves that specific knowledge, skills and relationships are an important intermediating factor in whether the resources are utilised.

4. Stages in Farm Development

4.1 Expansion and Agricultural Product Differentiation

Since the pastures were their main, and a relatively cheap, resource, the pioneers considered organic sheep breeding to be the perfect activity to begin with. This very much matched their mission of being shepherds and their passion for nature. At the same time, organic sheep breeding generates several marketable, high-quality products such as milk, meat, wool and processed products. Moreover, sheep breeding and grazing is a many-sided activity, i.e. it is useful for agricultural and ecological purposes and it indirectly encourages rural tourism.

‘Pastures cost almost nothing and yet generate a lot of money. From early spring until autumn, the sheep graze in the pastures. Compared to other farmers, our forage costs are low.’ (Manuela)

The pioneers chose a traditional regional sheep breed, the Soppravizzano breed. To develop a viable mixed farm, they needed a multipurpose sheep breed, that is, a breed that can both produce milk and meat and cope with mountainous conditions. In 1992, Nunzio, Manuela and Gregorio decided to expand the farm activities with the addition of cheese making. This would be more profitable than merely milk production. Initially, they produced only one type of cheese. The knowledge they needed was gathered from an old shepherd. When this specific cheese market appeared to be saturated, they started to diversify their cheese production. They were convinced

19 The ASCA participated in various programmes, including LEADER II, EUROMONTANA and NOW.
that they would be able to sell the different cheeses to a new group of consumers interested in organic and region-specific food prepared according to traditional methods and recipes. And, of course, they had the perfect basis for product differentiation, i.e. the pastures, within reach. The different herbs and their specific locations in the pastures create the possibility to vary the sheep’s diet and thus the taste of the milk and cheese.

‘The forage is very rich, the pastures contain many different herbs such as mint, oregano, wild fennel and juniper berries and you can taste that in the cheese and the meat. This diversity is thus crucial for our products.’ (Manuela)

By moving the herds between specific pastures and by varying the period of grazing within each, knowledgeable shepherds can influence the flavour of the milk and thus of the cheese. Again, local knowledge is very important. Traditional wooden equipment also gives an extra and specific taste to the cheese. Local cheese recipes further inspired the cheese makers to experiment with the flavour. Finally, formal training in cheese making and their own experiments resulted in new types of cheese as well. Smoked ricotta cheese and the ‘Gregoriano’ are examples of newly developed cheeses. Today, Gregorio and Dino offer nine different region-specific cheeses, Nunzio some six or seven. Some of the cheese is made from cow milk as both farms expanded their stock to include Pezzato Rosso breed cows. The cheeses are of a high quality, as has been demonstrated by the numerous international prizes the farmers have won. Products normally considered as waste products are used as well. For instance chaff delivered by a befriended arable farmer gives the cheese a special look (and is advantageous for the conservation of the cheese). The use of such products is in line with their philosophy to draw as much as possible on local resources.

Differentiation of the cheese production proved to be profitable. The initial price (1998) of one kilo ‘pecorino’ (a type of sheep cheese) – 6 euro – increased within six years’ time by 300%. At the beginning of 2005 the profit – excluding labour costs – was some 4-5 euros per kilo. The fact that they are certified organic producers increases product prices. They applied for this certification already in 1994.

Apart from financial advantage, the cheese makers gained in personal and social respects. Dino for instance is now known as a very good cheese maker and the success of the cheese branch has increased the social status of his whole family. They are no longer considered ‘stupid or dirty farmers’ but skilled producers of sound and exclusive, region-specific food products. Being a good cheese maker has also improved their self-image. The farmers find their work very satisfying and this feeds their motivation to do a good job.

Meat is a second main product. Initially, their focus was on lamb meat. Later on, Manuela and Nunzio decided to also process the leathery sheep meat into salami and sausage. A new market was quickly found: the demand among Muslim people in Italy and from abroad for such products is large. After a while, they even sought training in meat processing skills. The processing of sheep meat proved to be a very successful activity. Normally this meat is sold for 3 Euros per kilo but the sausages yield 12 euros per kilo, salami even 18 euros. The extra value is considerable: after deducting production costs of 5-6 euros per kilo, the average profit per kilo is 9-10 euros. In addition to sheep and lamb meat, Manuela and Nunzio also sell beef.
A new market was further found for sheep wool, in the form of cloths, blankets, baby toys, stockings and woollen threads, both natural (white, brown) and coloured. The dye used for the threads is derived from herbs growing in the mountain pastures or from agricultural products (e.g. grape skins). Manuela involved (mostly elderly) local women in the knitting and colouring of the woollen threads, through which they can earn extra income. So far, the various woollen products have been produced in a German village by entrepreneurs Manuela met during a visit to an international fair of local products. However, production will soon be moved to Italy, where it will stimulate local rural employment. The processing of the raw material takes place in Manuela’s hometown, a village with a traditionally strong textile industry and where Manuela has many contacts.

The woollen threads are particularly profitable: Manuela pays 7.5 euros per kilo for the processing, and the threads yield 20-25 euros per kilo. Coloured wool is even sold for 40-60 euros per kilo while production costs are 10-12 euros.

In her shop, Manuela sells other products derived from the sheep, such as soap, as well. There is also an expanding market for organic manure, which is used by gardeners.

The pioneering farmers have thus made the utmost use of the available local resources (natural, human, cultural, etc.), which they combined with their own personal resources (motivation, knowledge, networks, etc.). At various stages of farm development they were able to acquire new markets by a) farming organically; b) using traditional local crops, herbs and breeds; c) utilising traditional knowledge about the pastures and methods and techniques for product processing; d) differentiating their products, including the introduction of new products rooted in local food traditions; e) using local labour; f) using their network and expanding on this network; g) maintaining a proactive attitude with respect to the consumer market.

4.2 Further Diversification: ‘Adopt-a-Sheep, Save-Wildlife’

A next and very successful ‘product’ launched in 2000 is the ‘Sheep Adoption Project’, which gives people the opportunity to adopt a sheep for between 80 and 190 euros per sheep per year. In return, the ‘adoptive parents’ receive a ‘certificate of adoption’, a package with farm products (cheese, meat, salami, woollen stockings, olive oil, etc.) and a discount when they use additional services provided by the farmers. When they visit their sheep they can also have a free meal in the on-farm restaurant. By 2005, already 1200 people from all over the world were participating in the adoption campaign. A former local tradition inspired the project.

‘Adopting-a-sheep is an old tradition in this region, originating from the Interbellum period (1920-1940). Local people who moved to cities gave the farmers money to produce certain food products. When visiting the village, the citizens would come to fetch their food (meat, salami, cheeses, etc.) and then returned to the city with a supply big enough to bridge the intervening period to the next visit.’ (Nunzio)

In addition to generating additional farm income, the project is intended to call attention to the poor labour conditions of the shepherds.
'They have no running water, light or toilets up there in the mountains. The institutions take better care of the animals than the shepherds. That is ridiculous. The labour conditions for the shepherds need to be improved'. (Manuela)

The extra income is used to further broaden the farm activities. Plans for the future include research on natural wool-dyeing techniques; opening of a ceramics workshop to revitalise the most important (but almost lost) traditional handicraft in Anversa; and financial support to young local artists whose art ‘is rooted in deep peasant wisdom and inspired by the shepherd tradition’. Another plan is to start an ‘adopt-a-farm’ project. This would encourage co-operation between farmers and interested individuals in order to increase farmers’ perspectives as well as people’s commitment to quality food production and the intrinsic value of the countryside. Co-operation means that people participate in the farm, for instance by buying or leasing some land, a share in the farm, a part of its production, etc. Similar projects can be found, for instance, in the Netherlands (Wolleswinkel et al., 2004) and the USA (e.g. Community Supported Agriculture).

4.3 Non-agricultural Activities

The offer of non-agricultural on-farm services is an additional strategy to add extra income. This refers to on-farm accommodation (started in 1989), selling points (1998), a slaughterhouse, a butcher shop (1998) and an on-farm restaurant (2000). One of the selling points is located on Nunzio and Manuela’s farm; and the other is a mobile selling point in the mountains. The latter is part of the mobile cheese making unit and it is open during the tourist season. Tourists appreciate this close-at-hand service, which gives them access to fresh, exclusive and high-quality cheese. The butcher shop is managed by Gregorio’s mother. The farm restaurant (fifty seats) is housed in formerly unused and empty stables (i.e. formerly unused resources) on Nunzio and Manuela’s farm. After renovation, they hired professional cooks who use local and organic products to prepare the meals. Some dishes are based on local recipes. The restaurant is well attended because many people consider having a family meal in the countryside a rather trendy weekend activity. The distance from the city to the farm is not considered an obstacle.

‘Today, people who live in cities like to go to a restaurant on a farm. They say that this gives them the opportunity to experience something of the rural culture, that is, of gastronomic traditions, region-specific dishes and products, cultural events, (ferias), contact with animals, farm life and farming. Compared to a dinner in a restaurant in the city this is of extra value for them.’ (Dino)

Accommodation is offered to visitors who want to stay a bit longer. The farm can offer thirty beds, because Italian legislation determines that on-farm lodging may not exceed this number. Because the demand for accommodation is higher, Manuela and Nunzio developed a plan through which this restriction could be bypassed. They knew that many houses in their village were either empty or only partially inhabited. They
therefore asked local homeowners if they would like to rent out rooms in the tourist season or in the periods they would not be using their homes.

‘According to the regulations thirty beds is the maximum for on-farm lodging. To expand the number of beds, we made arrangements with local homeowners. Some live here on a permanent base, but others live in Rome and their houses are empty for part of the year. We approached the people and convinced them that renting out (part of) their houses to tourists would be profitable for them. They would get 80% of the rental income. The remaining 20% would be for us, to compensate for our mediations.’ (Manuela)

Renovation of the house is a pre-condition for participation in the project. In turn, the owner can determine what periods he or she wants to rent out the house. The response was large. In 2005, 290 beds were available. For most people the rent is an important supplement to their incomes, which is generally a pension. The tourism activities are also of importance to the whole local economy. Aside from the homeowners, local shops and service providers profit from the activities.

At farm level the tourist branch is a profitable one. On a yearly basis Manuela and Nunzio receive 20,000 guests. Most people who visit the farm also buy some products in the farm shop. Gregorio and Dino plan to start on-farm tourism activities as well, for which they have just received government permission.

Manuela and Nunzio recently extended their on-farm services with educational and creative activities, including courses about farming in a national park and creative and spiritual workshops. These activities are aimed at different groups of tourists and urban residents who want to have closer ties to nature and more insight into (and control over) the way their food is produced. Schools, training centres and people interested in local culture are also among the potential customers.

‘The courses we offer provide a gateway to enjoying and rediscovering ‘sleeping senses’, creativity and healthier relationships between people and the environment. We are building a different way of approaching culture and nature.’

4.4 Use of ICT

A crucial tool for promoting the farm products and services and for enlarging and differentiating their market is modern technology. The pioneers make intensive use of the possibilities of ICT. Ever since 2000 their website has been informing people about the background, motives and activities of the farm, which is promoted as ‘Bioagriturismo La Porta dei Parchi, Cooperativa agriturista ASCA’ (www.laportadeiparchi.it; also see http://asca.dimmidove.com). According to Manuela and Nunzio the website serves several purposes in that it: a) creates global visibility for a small farm at very low cost; b) makes it possible to promote farm products and services; c) increases sales while reducing costs by eliminating wholesale distribution; d) is a great opportunity for intercultural exchanges. Many people have already visited the website, among them journalists from all over the world. This has resulted in a lot of free (inter)national publicity for the farm. By 2005, Manuela had
already gathered 680 articles written in many languages (e.g. Japanese, Dutch, English, Swedish, German, Spanish, French) and 78 television programmes that paid attention to their initiative. Within 48 hours after such a television programme they registered 80,000 hits on their website. Many people have also adopted a sheep after visiting the website or reading an article in a newspaper or magazine. The website and the free publicity are also opportunities to promote agro-tourism.

‘This is advantageous not only for the involved farms but also for the region as a whole. It is in fact regional marketing.’ (Nunzio)

4.5 Nature Conservation

Clearly, mountainous sheep breeding is more than just an agricultural activity. It is also a very effective as well as relatively cheap strategy for nature and landscape conservation. At the same time nature and landscapes are major economic resources for the Abruzzo region. Many tourists are attracted by its natural beauty and enjoy spending their holiday or leisure time there. Experience has shown that decreasing agricultural activity affects, indirectly, regional tourism and thus the regional economy in a negative way. Ever since the responsible authorities and other stakeholders became aware of this, mountain farmers have received ample support. This includes subsidies, technical support, training, research and legal adjustments. Further, new (regional, national and EU) policies offer farmers the opportunity to get paid for nature and landscape management. In the Abruzzo region, payment was initially impossible because of contradictory legislation. The rules determining access to subsidies for pasture management were in conflict with those for renting these very pastures. Regional rules stipulated that only farmers with a five-year land rental contract were entitled to these payments. However, according to public administration rules ‘public land’ (including ‘high land’) could not be hired for more than six months. Manuela brought this contradiction to the attention of officials and succeeded in having it resolved.

‘We had to deal with a contradiction in the law. But we succeeded and in 2004 they started to give 5-year contracts. So farmers now receive money. At the same time we have to pay rent for the land. But we make a profit with our 1500 sheep.’

4.6 New Patterns of Co-operation: Partnership and Networks

It is important to note that the pioneers are now part of a much wider group that is known as ATER. A first step in the development of this group was the establishment of co-operation between farmers. Nunzio, Manuela and Gregorio were the first farmers in the region who started to collaborate (1986). At that time, it was a groundbreaking initiative as co-operation wasn’t part of the local farmer’s tradition. Ample market demand never made this necessary and local people liked to work individually. At a certain point, however, saturation of local markets forced the farmers to look for new markets. When the pioneers realised that they were trying to acquire the same (niche-) markets, it seemed rational to join forces. This would save
(transaction) costs\textsuperscript{20} and thus raise their incomes. Their joint search for new markets was successful and they learned that they could save costs by alternating participation in events such as traditional local fairs and festivals: only one person needed to go to sell the products of both farms.

The pioneers inspired others: more organic farmers showed interest in the production of region-specific products and in working together. To enable cooperation in a wider context, the pioneers established a new institution – a consortium – named ATER. Its main aim is to find new ways to improve marketing and to reduce transaction costs. Shortening of the production-consumption chain is central in its strategy. An important aspect is joint organisation of promotion, marketing and distribution activities independent from the mainstream institutional infrastructure. The exchange of information and generation of new knowledge are also among the tasks of the network. New knowledge is developed in close co-operation with supporting scientists through on-farm experiments (field laboratories) and other research projects. ATER further facilitates the joint participation of members in various (semi-) governmental programmes.

Establishment of the network was far from easy because the pioneers encountered quite a few obstacles along the way. According to Nunzio, the creation of a consortium is a time-consuming activity, whereas ‘for farmers (spare) time is always a problem’. The small size of the starters group was another problem and finding good markets appeared to be the most difficult challenge.

‘On the different markets (regional, national, international) regional products have no extra value. We needed to find new markets and for this we needed persons with a good intuition for such markets. That is, people who are sensitive to specific consumers’ needs. To get in touch with this part of the consumer market, we participated in gastronomic events, food contests, exhibitions, fairs, and linked up with organisations in the field of gastronomy like the Slow Food movement and the Accademia Italiana della Cucina in Milano\textsuperscript{21}. In this way we could convince the consumers of the quality of our products. Our strategy was successful. Our new markets comprise top restaurants and specialised shops (wine, processed meat, cheese, etc.) in Italy as well as abroad.’

\textsuperscript{20} Transaction costs refer among other things to the costs linked to putting products and services on the market. Human aspects of transaction costs are e.g. information, reputation, trust and thus concern the producer-consumer relationship. Contracts, standards, quality indicators and assurance, management systems, marketing networks refer to the institutional dimension of transaction costs. Other aspects involve transaction frequency, contract rules, specificity of the products, etc.

\textsuperscript{21} Slow Food, now an international organization (\ldots) was founded in 1986 and has over 80,000 members in over 100 countries. It aims ‘\ldots protect the pleasures of the table from the homogenisation of modern fast food and life. It promotes gastronomic culture, develops taste education, conserves agricultural biodiversity and protects traditional foods at risk of extinction.’

The Accademia (http://www.accademiaitalianacucina.it) was established ‘\ldots to protect a cultural patrimony of crucial importance: that of the Italian gastronomical heritage, which went, and goes, hand in hand with the history, tradition, new tendencies, and identity of a people.’
In 2005, the ATER network included fifteen farms from different sectors, including sheep, dairy and meat cattle, vegetables and fruit. The members, largely organic producers, process their products into a variety of regional, traditional products. In addition to many types of cheese and meat, woollen products and organic fertiliser, they sell vegetables, olive oil, pasta, jams, fruit syrup, and honey. To get access to the network, a farmer must approve of sustainability, both as a value and a farming practice.

The use of modern information and communication technologies increased the network’s promotion and marketing possibilities considerably. Internet and mobile telephones brought national and international markets within reach.

‘Our strategy is layered: we co-operate at farm level and at the (virtual) network level. The adopt-a-sheep campaign launched on Internet is an example of the latter.’ (Nunzio)

An excellent distribution system was developed to bridge the distance between producers and consumers. The products are packed airtight and posted, with delivery guaranteed within four days irrespective of the distance. Payment is made in advance, which creates space to further develop the farm.

To enlarge the offer of products and services and to create a regional quality system, a new project called ‘The Park Produces’ was launched. This campaign has also had a positive effect on sales figures.

4.7 Alliances with Policymakers and Politicians

According to Nunzio, specific qualities are needed to create a consortium like ATER. He considers creativity, a talent for finding start-up finances, specific knowledge and skills indispensable capacities. An understanding of changes in and effects of the politico-economic and institutional context of farming are, for instance, necessary to develop ideas for coping strategies. Farmers need good communication and networking skills to acquire such knowledge and to build relationships with local politicians and policymakers.

‘This is a period of transition in agriculture and its institutions. You need a special vision, specific knowledge for dealing with this and for creating new livelihood strategies. Although knowledge is important, such a high level of knowledge as we have (i.e. university level) is not necessary for all farmers. They can get this knowledge from others provided that they are good networkers. Of more importance are good relationships with local politicians and policymakers. They are the key players in the process of realising innovative rural initiatives. In particular the local administrative level is crucial; it contains the key for success. Therefore grassroots organisations must gain support from the local administration. Without such support, the initiatives for innovative changes will be doomed. So when developing initiatives like the consortium, it is of importance to be in line with local politicians.’ (Nunzio)
The Abruzzo farmers themselves were able to gain support from two key rural institutions: the Regional Agency for Agricultural Development Services (ARRSA) and the regional Councillor for Agriculture. They were the first to take the network and its request for support seriously. They realised that an economy of scope strategy would be economically and ecologically more promising than an economy of scale approach. The president of ARRSA himself encouraged this process. Originating from the region of the famous Parmegiano Reggiano cheese, he recognised the significance for the regional economy of region-specific, high-quality products. The support of ARRSA gave the process of knowledge generation and dissemination extra momentum. ARSSA initiated research in different fields (e.g. improvement of organic production techniques), supported the development of new technology and provided technical assistance for its use. Additional support included the organisation of training courses on cheese making techniques, the creation of premiums for the best pecorino cheese in the area, development of a basket of region-specific products and financial support for farmers to participate in promotion and marketing events, such as festivals and fairs. The institute further managed to get official recognition and registration of the Pecorino cheese.

4.8 Structure and Decision Making

The ATER consortium employs one bookkeeper on a full-time basis. The members work together in promotional and marketing activities. Basically, all members participate in decision making:

‘Together we find solutions for arising problems. The decision making process is informal, e.g. we have a dinner together and then discuss the emerging/emerged issues.’ (Nunzio)

However, up till now, Nunzio and Gregorio have had a strong voice in the decision making process. All of the members agree that they exhibit good leadership. So far, no conflicts have emerged between the participants of the consortium. The difference in age helps ensure this balance because the young farmers simply follow the older pioneers. At the same time, this is considered one of the weaknesses of the network. Some participants think energy and time should be devoted to developing new leadership. Current leaders should for instance delegate more tasks so young farmers can learn the tricks of the trade.

Although the consortium is still quite vulnerable (‘we feel we are Indians in one of the reserves’) it has the potential to expand. Problems with institutions (local and regional administrative institutions) or, more precisely, problems with the people within the institutions are the main obstacles. According to Nunzio, they still favour the dominant system.

‘This is a period of transition and they don’t recognise that our initiative is promising. The point is that we are too far ahead for the average official. The key is the local administration; it all depends on their ability to recognise the importance of multifunctionality and co-operation between farmers and whether they create an alliance between the innovating farmers and the institutions.’ (Nunzio)
The creation and successful operation of the consortium strengthened the feeling of belonging at regional level. Many farmers now want to join the consortium, because it gives them status, recognition and of course, most importantly, an economic advantage.

4.9 Political Influence

Confrontation with obstacles that hinder the implementation of their ideas has stimulated the pioneer sheep farmers to organise themselves politically. In 1988 they therefore founded ‘the regional association of sheep and goat producers of Abruzzo (ARPO)’\(^{22}\). With a total of 176 members, the organisation represents 25% of the sheep breeders in the province of L’Aquila\(^{23}\). Nunzio is the president of the association, Gregorio the vice-president. ARPO has played an important role in overcoming institutional obstacles that threatened the re-introduction of traditional cheese making. The ever-growing package of rules and regulations issued to manage the problems caused by modern agricultural production methods and techniques endangered the continuity of farming in the region.

‘We now know that the EU sanitary rules for cheese making have ruined the traditional way of cheese making. Almost all the farmers here (98%) stopped because of these requirements.’ (Manuela)

When the farmers tried to set up a cheese-making enterprise, different rules effectively blocked their progress. The rules didn’t match the on-farm production methods (i.e. the use of raw milk) and techniques (i.e. the use of wooden tubs). A first problem was the EU rule that milk for consumption must be pasteurised. Yet, cheese made on farms is based on raw milk. Pasteurisation would affect its basic qualities, that is, its taste and structure. Another problem was the ban on the use of wooden tubs. EU rules (Directive 93/93 in 1997) determine that cheese making should be done in tubs made out of steel. Wooden tubs are seen as a source of infection. Furthermore, the requirements linked to the hygiene of the milking parlour did not fit the mountain farming methods. New norms prohibited the building of milking parlours in the mountains. The implications for sheep farmers, who herd their sheep in the mountains for a substantial part of the year, were disastrous. Milking became impossible in spring and summer. Ironically, the new norms conflicted with requirements concerning food quality, animal welfare and ecological values. That is, mountainous sheep grazing contributes to a better milk quality (better taste); the abundance of varied fodder in the pastures increases the welfare of the sheep, while the moving of the sheep between different pastures increases the ecological balance. Hence, the pioneering farmers started to search for ways out and enlisted their broad and influential network to overcome these hindrances. Manuela in particular put a lot of time and energy into this activity. The result was that the farmers achieved derogation from standard EU food safety regulations.

\(^{22}\) ‘Associazione Regionale Produttori Ovi-Caprini’

\(^{23}\) Figure of 2005
I knew that the arguments did not fit in with practical experience. Wooden bowls are more hygienic than steel because wood absorbs the bacteria. Steel must be washed and it is scientifically proven that washing speeds up the bacterial activity. (...) I first studied all the newly proclaimed sanitary rules and regulations. Then I lodged a protest against these very rules. I stressed that the literal text of the law requires ‘milk of good quality’ and nothing else. So my duty was to prove that our milk was of a good quality. That was not so difficult because we had the certificates of the milk checks. Aside from that, I enlisted my university and political networks. I asked some friends and former colleagues to do some research. The results supported our experiential knowledge and we got derogation for our farms. We have an EU certificate stating that we comply with the sanitary rules according to EU requirements.’ (Manuela)

Derogation from the obligation to use pasteurised milk in the cheese making process was one of the achievements. Scientific research data produced by friendly researchers were important in obtaining this, as well as mobilisation of an influential lobby that called attention to the production process of the famous Parmigiano Reggiano cheese. This famous and economically important cheese is also produced with raw milk. Strict application of the rules would make this impossible as well. The prohibition on building milking parlours in the mountains was solved with creativity:

‘Our way out was a mobile milking parlour. We designed it ourselves; such parlours are not available on the market. The agro-business designs only technology suited for big farms. Due to our network, we got access to the knowledge needed to build the mobile milking parlour’. (Nunzio)

Knowledge, agency and an influential and knowledgeable network were thus crucial for their achievements.

Originally, ARPO aimed to protect the heritage and authenticity of the animal by-products, notably cheese, but its goals have been expanded since then. The association’s interests are now defined more broadly and ARPO engages in regional development and planning. Dissemination of knowledge and achievements among other farmers became its task as well. The association functions further as a contact and consultation body for public administrators, researchers, extension services and other stakeholders.

‘When agriculture was crucial for the economic development of the region, we got sufficient support. But when the economic power of the agricultural sector decreased, we lost our influence and power position. To get something done, political support is indispensable. So alliances with politicians and policymakers are essential to achieve success. In this way you can influence the discourse of what development really means. And exactly for this reason we founded the APRO association. Mainstream farmers’ organisations like the Coldiretti follow a different pathway. They operate closer to the interests of the state. Just like the extension services. They are in fact in favour of another development
model, the modernisation model. So they are unreliable partners for us. Sometimes they do support us, but at other times they don’t.’ (Nunzio)

The initiators of the ATER and ARPO networks (Manuela, Nunzio and Gregorio) are convinced that both the commercial and political ‘pillars’ are needed to achieve long-term progress. Formal organisation goes together with a clear definition of goals, strategies and activities; it creates a structure and procedures to govern the network. At the same time it creates a ‘protected space’ (Milone, 2004). Researchers are connected to both pillars: they support the network in generating new knowledge and technologies and in providing scientific support for the sustainability of their approach. They also enable the farmers to enlarge their network by linking them up with their own networks. Supporting policymakers participating in the network provide the farmers with knowledge about policies and the accompanying available funding programmes and subsidies, and about how to apply for these programmes and subsidies (political literacy). They further explain how new policies will affect their farms’ potential. They help them understand the rules of the game and how to deal with them: what is possible, what is allowed, how should rules be interpreted, how can they be complied with, is there room to manoeuvre and, if so, how can it be utilised (legal literacy). The policymakers can also link them to resource persons who can help solve the (technical, financial, marketing, etc.) problems they face on the farm.

5. Economic Gains at Farm Level and Impacts at the Regional Level

5.1 The Farm Level

The farmers’ strategy of pursuing economies of scope (or multifunctional farming) and dealing themselves with promotion and marketing of their products and services provides them with an income that is at least equal to that earned through the conventional model (Milone, 2004). Meeting with civil society needs is an added advantage.

Milone (2004) compared the economic performances of multifunctional farms and conventional farms. From the research it appears that novelty producers make higher profits than conventional ones. The difference in net income was 10.80 euros per sheep on the sheep farms, over 700 euros per cow on the dairy farms and 540 euros per hectare in the horticultural enterprises (see table 1).

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24 The sample comprised 22 farms 15 sheep farms and 5 dairy farms in the Abruzzo Mountains as well as 2 organic horticultural enterprises in the Fucino plain. The data of the 15 sheep farms cover a period of 3 years (1999, 2000, 2001). The sheep farms were compared to 10 specialised dairy farms located both in the hills and the plain. The dairy farms were compared with a sample of farms in mountainous areas made available by CRPA (Centro di Ricerca Produzione Animali, Reggio Emilia). The horticultural enterprises were compared with a sample of conventional farms in the Fucino plain that are monitored by ARSSA Abruzzo, the regional service for technical assistance.
Table 1. Net income per production unit per sector for pioneering farms and conventional farms, and the income difference between the two types of farms, 2004 (in euros)

<table>
<thead>
<tr>
<th></th>
<th>Sheep farms</th>
<th>Dairy farms</th>
<th>Horticultural enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>net income/</td>
<td>net income/</td>
<td>net income/</td>
</tr>
<tr>
<td></td>
<td>sheep</td>
<td>cow</td>
<td>hectare</td>
</tr>
<tr>
<td>Pioneer farms</td>
<td>20.40</td>
<td>638.78</td>
<td>1800</td>
</tr>
<tr>
<td>Conventional farms</td>
<td>9.60</td>
<td>-63.44</td>
<td>1260</td>
</tr>
<tr>
<td>Difference between</td>
<td>10.80</td>
<td>702.22</td>
<td>940</td>
</tr>
<tr>
<td>the farms</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Milone 2004

A first important factor that influences the income differences is the degree of autonomy concerning inputs. The pioneering farms draw relatively more from endogenous resources. A higher independence from external input markets such as finances, technology, knowledge and labour, results in differently structured production and marketing costs. Compared to conventional producers, they realise lower costs for forage and labour in the production stage. The lower forage costs are linked to the use of the mountain pastures for six or seven months out of the year. Labour costs, which in both types of farms constitute the largest part of total costs, are relatively lower in the pioneering farms. Contrary to large-scale specialised farms, they draw more on family labour, which influences the income per production unit. A link with the multiple use of resources is obvious: sheep or cows are not only kept for their milk but also for their meat and wool. Likewise, land, labour and farm buildings are not exclusively used for agricultural production but also for other income-generating activities. Shortening the food chain has an equal effect. Making cheese from the milk adds extra value to the milk and if this work is carried out by one of the farm household members, the money ‘stays in the family’. If farm household members find the new tasks of interest, they will engage in farm work. This aspect is of strategic importance when discussing the future of farming. If the younger generation is attracted to the new tasks, there is hope for the continuity of farming. To stick to the example of cheese making: this is considered to be quality work. It requires specific knowledge and skills; apart from some formal training, years of practical experience are needed to become a good specialist in this field. The room to experiment with new types of cheese makes the work even more challenging. Farmers can even pro-actively try to create new demand in the niche market. The ability to make good-quality cheese and to find the most profitable markets improves the self-esteem of the specialists involved and increases their social status. Also broadening the farm can create work that is more challenging for the members of the farming household than the average task package of family members in highly specialised and mechanised farms that are highly dependent on external expertise. Finally, retaining control over promotion, distribution and marketing generates extra money. In the new situation no money has to be paid to various intermediaries who normally perform these tasks.

25 Additional advantages: lower veterinary costs due to improved animal health by the high-quality grass and the practice of pasturing. The organic way of farming saves also on expenses for fertiliser and antibiotics.
This further provides the farmers with the opportunity to actively search for the most profitable markets for their products. Apart from the lower (labour and forage) costs, the revenues are evidently higher on the multifunctional farms because consumers are willing to pay more for the region-specific and high-quality products.

The selected dairy farms reflect the same pattern: extra value is created on multifunctional farms through the shift from the milk to the cheese market, the shift to traditional breeds and to reduced use of external inputs (especially fodder and technology). Also relatively more family labour is used. This is profitable because cheese making results in higher final price levels than milk production as such. The extra money generated through cheese making and the selling of calves also opens up opportunities to make new investments in the farm and to develop new income-generating activities. Sufficient cash flow guarantees feelings of security and trust in the future.

Differences in costs are also determined by the transaction costs related to market use and internal co-ordination of the farm. In the pioneering farms the costs for use of the market are ex-ante and mainly stem from the search for new markets. In the specialised farms these are mainly ex-post and concern costs for intermediaries, co-operatives, etc., that process, promote, distribute and market the product. The pioneers can have considerable control over the price the consumers pay for their products. Building up a good reputation through, amongst others, transparency of the production process and good quality products, as well as good negotiating skills are strategic factors in this respect. The specialised farmers, however, are dependent on the price the intermediaries are prepared to pay and their negotiation position is weak since they are atomised producers of bulk products (Milone, 2004).

5.2 Achievements or Impact of Resource Use at the Regional Level

The pioneer’s strategy of using local resources and in a sustainably way benefits not only the farm but also the region:

♦ In the past years it has become clear that extensive sheep grazing in the mountains maintains the productive potential and the ecological values of the endangered pastures. It is also a key tool in protecting the geophysical balance and in preventing erosion and the spreading of forest fires. Scientific research data underpin these achievements. Mountainous farming carried out by knowledgeable farmers thus translates into a strong regional resource.

♦ The strategy of multifunctional farming can create extra income and employment at local level. Farming families can again think of farm enterprise continuity.

‘We created 15 new jobs in a village of 300 inhabitants who have an average age of 60 years. That means that we generated relatively more jobs than FIAT did in Torino.’ (Manuela)

These new jobs are accessible for women as well, as is demonstrated by the women working in the farm shops and cheese making enterprise. This is
considered a step forward in the quality of their work, as it is physically less exhausting than working in the fields or in the mountains. People from outside the village also benefit as they can obtain work as wool processors, shepherds or producers of woollen products. The pioneers have encouraged the extra income streams by investing a large part of their profits in the farm enterprise. It is no wonder that most villagers welcome the activities of the pioneers. Among the opponents are local politicians. As Manuela confided to a Dutch journalist some time ago:

‘Our initiative goes against the common idea that for a job you have to approach the municipality. It was a kind of tradition that you could get a job in exchange for your vote. But we go our own way and that sometimes creates bad feelings’ (NRC, 2001)

Regional identity is strengthened and the quality of life is improved. The initiatives of the pioneers have brought activity back into the village. Many tourists have returned to the region and traditional local events and fairs are again attracting many visitors. Young people no longer turn their backs on the countryside. A growing number are returning because farming is once again a profitable and attractive activity. The financial success and social status of producers of region-specific, high-quality foods and the new social identity linked to participation in the network seem appealing to them.

New resources are created. Co-operation is an especially strong one as demonstrated by partnerships between farmers and the farmers’ networks ATER and ARPO. The different forms of co-operation represent new sources of economic benefits and political influence. The sheep farmers have for instance gained more influence in decision-making processes about the use of collective resources and local development. Collaboration between farmers and other stakeholders contributes to strengthening their political position, which led for example to the derogation of some government regulations. The increased societal respect and political influence add to the feeling of self-esteem, which is in itself is a new or improved resource.

New knowledge is another new resource that is partly generated by co-operation. For instance ARSSA, the regional extension service, developed together with the farmers the mobile cheese making unit, and various scientific research projects provided supporting evidence of the sustainability of the multifunctional approach. At specific moments this proved to be crucial information for overcoming legal restrictions and convincing policymakers and other stakeholders of the all-embracing sustainability of the farmers’ new approach. Through experimentation the farmers also acquired new knowledge, experience (learning by doing) and exchange mechanisms with colleague farmers.
The pioneers, represented by Manuela, conclude that they have achieved their mission:

‘We fulfilled our dream. Our dream was to establish an all-encompassing sheep breeding farm, to valorise all the possible products of sheep. What previously was disregarded as being of no value is now considered a new resource. I refer to sheep manure, meat and milk, but also to the sheep as a living species and, the natural environment in which the sheep are living. It is also new that people see the farm as a place to buy and/or to eat region specific-products, as a peaceful and beautiful place to stay the night or to spend your holiday, or as a place to learn about multifunctional farming, sustainable food and nature production and about rural culture.’

Yet, several issues still need the farmers’ permanent and full attention. Serious problems exist at the administrative and political levels. Manuela as well as involved researchers and policymakers stress a) the limited synergy with local administrations, both with administrative and technical departments; b) a lack of clear rural development objectives within politics; and c) bureaucracy. A rather big problem is that policy measures are still geared to the modernisation model. It is also problematic that the normative framework for multifunctional farming is created by policymakers, politicians and researchers.

‘They have their own vision of multifunctional farming − one which is disconnected from rural practice’. (Nunzio)

For example: recently a new rule for credit was issued. Officials were asked to design tools that would fit the situation of the Abruzzo farmers. The result was inadequate; they designed rules for a type of farmer that does not exist. The norms were way too restrictive and above all tailored to the interests of the bank. For farmers it was impossible to work within these rules.

Additional issues that are currently on the farmers’ agenda include:

♦ creation of a regional quality system (the Park Produces project)
♦ implementation of safety, hygiene and quality procedures for all farms
♦ expansion and improvement of tourist services and valorisation of local produce
♦ vocational training for young entrepreneurs.

6. Underlying Motivations and Attributes of the Pioneers

At this point, it seems useful to once more pay attention to the pioneers’ sources of inspiration, their motivations to start such initiatives at a time when nobody believed in the viability and sustainability of sheep farming in the Abruzzo region as well as the specific personal attributes that contributed to their choice of farming practices.

Basically, the starting point was a shared dream to revitalise the area and stop the loss of biodiversity, traditional landscapes and local culture. This dream was
inspired by the pioneers’ values, such as passion for nature, strong connection with their rural backgrounds, social commitment and respect for traditions as well as their strong urge for independence and self-realisation. Re-introduction of farming seemed the right strategy to realise their dream. The basis for their success thus lay in their motivations and personal attributes as described below:

1. **The passion for nature** is in this case more specifically a passion for sheep breeding (Gregorio and Nunzio) and a passion for the flora of the mountain pastures (Manuela). The ongoing ecological decline and the imminent disappearance of sheep herds was therefore of great concern to them. They wanted to prevent further deterioration of the biotope and restore and preserve lost ecological values. In their view, this had to be achieved by working with – instead of outside – the local ecosystem (Flora, 2005). This attitude towards caring for nature could be described as stewardship. Extensive grazing of the mountain pastures, especially by sheep and goats, seemed to be the right way to accomplish their goals. This required a relocation of farming. Indigenous knowledge about local resources, and the use of these resources, such as traditional pasturing methods, were indispensable and became valued again.

2. **Love for rural life and social commitment** to local villagers, who saw themselves confronted with a decreasing quality of life. Due to out-migration, village service levels had become poor and social life, local traditions and know-how had started to erode. The pioneers wanted to stop this process. This required a reactivation of farming activities.

3. **Pioneering spirit.** Contrary to all pessimistic forecasts about the perspectives of sheep farming in the late nineteen-seventies, the pioneers started breeding sheep. They also chose a farming strategy that deviated from the mainstream strategy. Their multifunctional farming approach implied a continuous search for new products, services and methods of production, processing, marketing and distribution. They also had to search for new supporting institutional structures. They were especially innovative in finding ways to link these different aspects.

4. **Rebelliousness:** The choice to engage in multifunctional farming can also be considered as an act of rebellion against the policies of the National Parks and government agencies responsible for agriculture, rural development, spatial planning, nature policy, etc. The pioneering farmers had namely observed and were reacting to the negative impact these policies were having on the local ecosystem, farming economy, social life and culture.

5. **The aspiration for autonomy:** Independence from the mainstream agri-food networks was also a pre-condition to creating new structures. Freedom from their rules allowed for self-determination and the power to organise the production and marketing in their own way.
6. **Desire to co-operate** with like-minded farmers and other stakeholders in the region. This was believed to be a key to remaining independent of the dominant agricultural regime. To accomplish this, an attitude change was required as co-operation was not naturally embedded in the highly individualistic local farmers’ culture. The successful teamwork of the two pioneering farms inspired other farmers and convinced them of the potential value of co-operation. The development of new structures on the other hand required collaboration with other stakeholders. For this reason strategic alliances were built with different societal groups including environmental and nature conservation groups, consumers’ organisations, supporting policymakers and politicians.

7. **Self-esteem, agency (the capacity to achieve one’s goals) and creativity** seem to be core attributes. In the case of these farmers, the capacity to recognise and valorise locally available resources and to recognise the potential of sheep breeding in terms of economy, ecology, and liveability of the area was indispensable. By making unusual connections, e.g. linking sheep breeding to the tourist market as well as food safety and nature concerns of the broader society, they realised this potential. Good networking skills and the capacity to access relevant information appeared to be crucial as well.

### 7. Critical Factors for Successful Endogenous Rural Development in Abruzzo

To conclude, we want to point to several factors that have been decisive for the successes gained so far.

- ♦ The ability to create coherence between ecology, economy and social life.
- ♦ A search for new products, services and methods of production, processing, marketing and distribution in combination with a search for new supporting structures i.e. new institutions and policies.
- ♦ The creation of new relationships in the production, marketing and distribution stages. This comprises relationships a) between farmers; b) between farmers and institutions, e.g. the national park, policymakers and politicians, extension service, research institutes; and c) between farmers and consumers. Through these new relationships a new system of governance is emerging. Co-operation is a key concept here.
- ♦ The improvement of existing knowledge, creation of new knowledge and creation of the right conditions in which to apply this knowledge in farming practices. Again, co-operation is required to create synergy between the different knowledge systems.

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26. In the Abruzzo region different knowledge systems have been used and combined to generate the knowledge necessary to realise the dreams of the pioneers. Traditional (locally available) knowledge, experiential knowledge (developed through working experience, experimentation and exchange of knowledge and experiences between farmers and shepherds within the network) and scientific knowledge (generated through research) are separately as well as in combination powerful resources.
♦ The creation of political support. The pioneering farmers managed to get support for their multifunctional approach from politicians and policymakers in part by focusing on increasing public concerns about biodiversity, environmental pollution, food safety, etc. Smart alliances with powerful lobbies, such as the environmental movement and consumers’ organisations, encouraged political commitment.

**Literature**


Italy – Multifunctional Agriculture Breaths New Life into Mountainous Areas
Chapter Four
Slovakia – Rural Women in Southern Slovakia as Catalysts of Local Development

Sabine de Rooij and Jela Tvrdoňová

1. Introduction

This chapter discusses an exceptional and novel expression of endogenous rural development. The case to be presented was initiated in a small village located in a disadvantaged area in southern Slovakia. It is an exceptional case, not only because it is mainly driven by rural women, but in particular because it entails an alternative, and what some call a typically ‘feminine’, approach to development. The women do not aim at large projects but pursue small though persistent changes. The novel aspect is that the provision of services (like daily meals for elderly people) has been turned into a new source of employment and income.

The key actors have the strong belief that new activities should not only result in direct benefits but primarily in the creation and enlargement of social capital (see e.g. Shucksmith, 2000; Mihaylova, 2004). Some direct results have been the emerging of a broad set of new values and an increased local ability to solve local problems, find new perspectives and improve the quality of life. Together these changes activate a new sense of rural identity and feelings of pride (see also Pugliese, 2006).

When launched, the initiative was very novel within the Slovak context. At that time, starting up a social programme to generate employment was unique. Also, NGO activity to encourage rural economies and rural life was still in its infancy. Central in the women’s view is the belief that sustainable development must be rooted in locally available resources. An area-base approach is thought to have the most potential. Innovative as well is the double focus: the creation of local, resource-based, new income-generating activities should go together with an increase of social capital. That is, capacity building should go beyond the mere provision of information, education and skills training. It must also create trust, networks and new institutions. The women emphasise that successful rural development cannot be achieved without a change in rural people’s attitudes, values and beliefs. One of the hurdles to clear is apathy when it comes to taking initiative and responsibility. The following text will pay special attention to this aspect, after first presenting a brief sketch of the historical and

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27 This chapter is based on information gathered in 2005 from interviews with 7 women and 2 men involved in the present rural development initiative and an additional literature study. Special thanks go to Helena Kubaliakova, chair of the NGO Ozveny and Jela Tvrdonova, a Slovakian rural development expert.

28 Development interventions are generally directly oriented at productive activities. This is also the case in many examples of endogenous development. Hence, the indicated feature, i.e. converting the production of services into the starting point for further development, is quite new and highly interesting.

29 Mihaylova (2004) gives an overview of the use of the concept of ‘social capital’ in research carried out within the context of Central and Eastern Europe.
politico-economic context characterised by far-reaching transition processes, within which the initiative was born.

2. Rural Transition Processes in Central and Eastern Europe

In a period of less than 20 years, the societies in former Central and Eastern Europe have experienced radical changes in political, economic and socio-cultural respects. The year 1989 is inscribed in everyone’s memory as the year the Berlin wall was pulled down. In a nutshell, it implied that the socialist central planning systems would be transformed into democratic societies with a market economy. The subsequent privatisation and restructuring processes had varying impacts on the societies in urban and rural areas. Rural areas were hit relatively harder, especially in the early years of the turnover. The weakening of the main economic pillars in rural regions, i.e. industries located in district cities and the agricultural sector, caused many problems: large-scale unemployment, a degradation of the rural infrastructure, declining agricultural outputs and abandonment of farmlands. Many rural households had to adapt to a new situation with irregular and much lower incomes. Rural poverty spread rapidly, also because starting up a private family farm proved to be more difficult than expected (Meurs 2001). This was due in part to fragmented land ownership, uncertain property rights, a lack of capital, out-dated technology, insufficient knowledge about new, free-market-related branches, inadequate skills and lack of institutional support (Van De Poele, 2001; Swinnen et al., 2001; Arzeni et al., 2001).

In some areas, the new economic conditions triggered an inflow of people attracted by the relatively cheap living conditions. In other areas, people, in particular the younger generation, started to migrate out of the countryside thus leaving the villages with an ageing population. This was for instance the case in the rural areas of Slovakia. The lack of alternative job opportunities and low agricultural wages (20-25% lower than the national average) stimulated their departure (www.agripolicy.net). The situation was most worrisome in remote rural regions and areas where former state and co-operative farms had been concentrated. Regions close to borders and urban centres had a relatively more advantageous position.

The changeover also resulted in increasing social inequity. Especially youth, elderly people, people with low or highly specialised education, single mothers, ethnic minorities became vulnerable social groups after 1989. These groups are more likely to be poor and socially excluded. After the transition social problems such as alcoholism, depression, domestic violence and trafficking of women spread in rural areas (De Rooij and Bock, 2005).

A second central event affecting the living conditions of rural people in the involved countries is their fairly recently acquired European Union (EU) membership (2004). The access to new markets, funding and supportive programmes, etc., should imply new opportunities and challenges, because one of the cornerstones of the new CAP (Common Agricultural Policy) agreed under Agenda 2000 is strengthening of rural economies and communities. However, as e.g. Baldock et al. (2001) observe, current perspectives, policy designs and implementation concerning agriculture and rural development do not really respond to the needs and perspectives of the majority of local rural people. Plans typically reflect EU interests, whereas the intended future role of primary agriculture and farm structure remain unclear. There is a risk that
social divisions will deepen as specific groups take advantage of the opportunities offered by EU membership. Farmers, especially smallholders, thus feel threatened. Data on agriculture and farm structures in Slovakia and other EU-2004 member states are presented below.

2.1 Farming in EU Member States that Gained Access in 2004

Agricultural activity in the EU-2004 member states declined after the transition, but nevertheless remained important in most countries in terms of GDP, land use and social activity. Slovakia is a good example, although its agricultural sector employed relatively few people in 1989 (about 12%). Only in the Czech Republic was this number lower (10%) (Franzke, 2005). The total workforce employed in agriculture in Slovakia decreased by 2005 to less than 4.8% (Green Report, 2005). The decline was much more moderate in e.g. Poland and Slovenia (about 15-20%) and the number of people still employed in agriculture in these countries is thus relatively high. In Slovakia the agricultural labour input continued to fall in recent years (-4.7% in 2007), as in almost all Members States, but in Poland an opposite trend was reported (+2.8%) (Eurostat, 2008).

As elsewhere in Europe, heterogeneity of farm size and structure is characteristic of these EU member states, but there are differences among the countries in the ratio of large to small farms. In countries and regions where collectivisation was more complete, as was the case in Slovakia, large-scale farms still dominate, whereas in countries that had a different pre-transition farm structure, like Poland, smallholder farms are much more numerous. In some countries (the Baltic States, Hungary) many new private farms have emerged.

Data show that the differences in farm size within each country have become smaller. The following table gives an overview of the Slovak farm structure in 2001. It shows that relatively few large farms (21%) still dominate the countryside: they farm 76% of the agricultural land.

*Table 1. Slovak farm structure (2001)*

<table>
<thead>
<tr>
<th>Legal</th>
<th>Number</th>
<th>Average size in ha</th>
<th>Share of total agricultural land (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>State undertakings</td>
<td>1</td>
<td>924</td>
<td>0.0</td>
</tr>
<tr>
<td>Co-operatives</td>
<td>695</td>
<td>1,620</td>
<td>46.2</td>
</tr>
<tr>
<td>Commercial companies total, of which:</td>
<td>707</td>
<td>1,030</td>
<td>29.8</td>
</tr>
<tr>
<td>- general commercial partnerships</td>
<td>3</td>
<td>233</td>
<td>0.0</td>
</tr>
<tr>
<td>- limited liability companies</td>
<td>616</td>
<td>899</td>
<td>22.7</td>
</tr>
<tr>
<td>- shareholding companies</td>
<td>88</td>
<td>1,974</td>
<td>7.1</td>
</tr>
<tr>
<td>Total legal persons</td>
<td>1,403</td>
<td>1,322</td>
<td>76.0</td>
</tr>
<tr>
<td>Individual farms</td>
<td>5,292</td>
<td>36</td>
<td>7.9</td>
</tr>
<tr>
<td>Other land*</td>
<td>X</td>
<td>X</td>
<td>16.1</td>
</tr>
<tr>
<td>Total</td>
<td>6695</td>
<td>X</td>
<td>100</td>
</tr>
</tbody>
</table>

*Includes unregistered small farmers, subsistence farm household plots, gardens.
More recent data, although gathered from a smaller research population, show that no substantial changes have taken place in the past few years (see table 4 in the annex).

Despite their low share in land use, smallholders play an important role in the food production chain in the involved countries.

At household level, agricultural activity remains essential in the EU-2004 member states, including in Slovakia. Many rural people produce food for household consumption on their small household plots. Many gain some extra income by selling their surpluses on the local market.

In most countries levels of agricultural production increased again after 1990, though pre-reform production levels appeared difficult to reach in most countries. The stagnation in production was due to a complex set of factors. Privatisation, the loss of conventional markets, elimination of consumer subsidies and price and trade liberalisation all played a role and resulted in increasing costs, decreasing output prices and a fall in consumer demand. Food imports from other EU countries, except Bulgaria and Hungary, started to increase as well. A changing food pattern was one of the consequences (World Bank, 2002). Productivity is generally low compared to the EU as a whole.

Major agricultural and rural development objectives in the concerned EU member states that require attention are agricultural modernisation and diversification of rural economies; halting depopulation; development of infrastructure including high-quality rural education; environmental protection and management; social and economic cohesion; relieving rural disadvantage and deprivation and overcoming rural poverty (Baldock et al., 2001).

2.2 Towards Sustainable Solutions

Strengthening of rural economies and communities is one of the cornerstones of the new CAP agreed under Agenda 2000. Perceptions on how to strengthen rural economies and communities differ however. In general, within old and newer EU member states, the rural development goals range from more traditional goals to a newer agenda (ibid.). The former include employment growth, rural poverty reduction and improvement of the rural infrastructure. In the new agenda the focus is on promotion and development of social capital, gender equality, organic agriculture, monitoring and evaluation. In the EU-2004 member- states, measures that advance traditional economic development come first (ibid.). Sustainability, local governance, gender equality and ethnic equality are not key objectives of rural development policies or of the institutions that control them (ibid.).

Many authors agree (e.g. Arzeni et al., 2001; Swinnen et al., 2001; Van De Poele, 2000; Bryden and Shucksmith, 2000; De Vries, 2000) that the creation of new employment opportunities is crucial for the recovery of rural areas. Multifunctional agriculture is mentioned as one of the ways through which farmers can both contribute to new rural employment opportunities and benefit from them (see chapter 6).

Generally, the creation and management of new non-agricultural (and agricultural) enterprises is not possible without access to basic resources such as capital, credit, good-quality training and re-training for the rural population, supply, processing and marketing channels and a good infrastructure. Based on various
studies, Arzeni et al. (2001) constructed a synopsis of key factors that may encourage or constrain entrepreneurship and the creation of new non-agricultural enterprises. These factors involve in the first place human capital, physical capital, finance and market institutions. There is a need for motivated young men and women with appropriate knowledge and skills. Additionally, clear ownership rights, a well-functioning credit market, and availability of and access to institutions that connect enterprises to supply, processing, distribution and marketing channels are crucial for the development of entrepreneurship. Other requirements are a favourable policy environment (without inhibiting rules and regulations) and macro-economic stability.

As Arzeni et al. (2001) underline, rural economic diversification is not easy to develop in the EU-2004 member states because the population often faces many constraining factors simultaneously. For instance, involved countries need to develop institutional capacity and appropriate policies. Concerning the latter, the authors suggest that to be effective, such policies should be differentiated (for countries and regions), decentralised, and complementary to sound and appropriate macro-economic policies and structural reforms. Capacity and institution building (investments in education, skills, institutional innovation to deal with market imperfections, and imperfect property rights) and poverty alleviation (low rural incomes are obstacles for institutional improvement and thus structural adjustment) should also be supported by rural policies. Building social capital and promotion of gender and ethnic equality would be important additions to this agenda.

The focus of the next section is on rural development processes in Slovakia and associated rural policies and programmes.

3. Rural Development in Slovakia

With almost half of its population living in rural areas (47%) and 40% in ‘semi-rural’ areas (Green Report, 2005), Slovakia is still a rural society. The majority of villages (72%) contain up to 1,000 inhabitants and of these 61% have fewer than 500 inhabitants. These rural settlements typically have an agriculture and forestry-based economy and job structure, a rather poorly developed infrastructure and a low population density.

The country is not homogeneous in socio-economic respect and significant disparities among regions exist, also with regard to rural development. While rural towns and villages in western parts of the country are benefiting from economic growth in terms of rapid infrastructure development and public goods investments, rural citizens in central and eastern Slovakia are not so lucky. This is partly because these areas were more negatively affected by the transition processes.

Generally, the economy of Slovak rural areas is still dominated by traditional economic sectors – agriculture and forestry. This is gradually changing. The share of primary agriculture (which is now fully privatised) both in GDP and in total employment shows a permanent decline. Between 1989-1990 its share in the GDP fell to 8% and in 2005 it was less than 4.5%. According to the Green Report 2005, the share of agriculture in total employment was 4.75% (90,000 people). Other traditional
rural economic sectors such as forestry and fishery are also providing fewer and fewer jobs and incomes for rural residents. The income of agricultural employees and farmers, however, has improved slightly since 2002. This increase was especially significant after the country started receiving EU direct payments in 2005.

Agricultural privatisation and reorganisation have had gendered effects. Women usually work as unskilled labourers and it is exactly these jobs that are at stake when production processes are reorganised and new technology is introduced. The generally accepted idea that men are the primary breadwinners within the family is also disadvantageous for women, because for this reason rural employers tend to keep men employed longer than women. On average women also earn less than men; the income of women in agriculture is only 71% of the income of men (Green Report, 2003 and Statistical Office, 2005).

As the information shows, traditional rural sectors cannot create the right socio-economic conditions to maintain rural populations. This is especially the case in the marginalised and less favourable rural areas in central and eastern Slovakia. New opportunities thus need to be created in rural areas. Rural development practitioners suggest that future rural development strategies should focus on creating added value and increasing market prices for products based on a better use of available rural human, natural and physical resources. These strategies could include ecological food production, high-quality products, alternative energy and tourism development, social enterprises, environment-friendly manufacturing, processing and crafts. In other words, rural economic diversification represents one of the most important development options, and may provide more opportunities for a broader spectrum of social groups, particularly for women and young people. In the Slovak context, two types of economic diversification are possible: 1) On-farm economic diversification or multifunctional agriculture; this concerns new activities to increase the value of agricultural products and to provide new job and income opportunities, in particular for women working in agricultural enterprises; 2) Rural community economic diversification; i.e. job creation and additional income generation in the broader community, such as small industry development based on rural assets or in the IT sector; development of rural tourism together with associated service development, stimulating local crafts, etc. Already several good examples of projects that provide income and employment diversification opportunities in rural areas have emerged.

3.1 Support of Rural Development in Slovakia after EU Accession
To become successful, on-farm and community diversification need supportive policies. So far, national policies have been sector oriented, and there is therefore a need to introduce a more integrated and participatory approach.

Before and after EU-accession, different programme and policies were designed to support on-farm diversification, including the following:

- The Fund for Rural Development launched the Economic Diversification of Rural Areas programme (2001). It was a pre-test for the SAPARD programme in three selected districts, i.e. Rimavska Sobota, Detva and Topolcany, and

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32 SAPARD was a pre-accession programme.
focused on the same rural economy diversification measures. Total support for on-farm diversification and community diversification was 827,000 euros.

♦ The SAPARD programme *Diversification activities in rural areas* focused on the diversification of farm activities and the rural infrastructure. The programme provided 2,293 million euros per year for co-financing of diversification projects between 2002 – 2006. According to data from the Agricultural Payment Agency, these measures created some employment in rural areas, including in the forestry sector.

♦ *The Sector Operational Programme for Agriculture and Rural Development.* This instrument supported on-farm diversification, forestry and fishery development. Rural community diversification was then shifted to other EU Structural Fund programmes.

There is no official support programme focused specifically on rural community diversification, but several sector-based programmes were introduced in the past for rural communities:

♦ The *Village renewal programme* introduced in 1991 by the Slovak Ministry of the Environment. Its main goal was to support territorial planning and reconstruction of public buildings. With an annual budget of some 500,000 euros for 2,700 villages, it was not an important instrument.

♦ The *SAPARD Programme – Technical assistance measure.* It supported capacity building for the EU LEADER Plus Programme. In 2004, 600,000 euros was allocated for strategic planning for eleven selected rural micro-regions across the country. As a result of the programme, eleven local development socio-economic LEADER-type strategies will be implemented within the 2007 – 2013 programming period, when Leader Axis will be introduced in the Slovak Republic.

♦ The PHARE Grant Schemes with a focus on: 1) small and medium entrepreneurs for construction and reconstruction of tourism facilities, property purchases for tourism development, tourism attraction development, 2) rural tourism NGOs and associations for strategic planning in tourism, marketing and promotion, infrastructure investments, information networks.

♦ The EU Community Support Framework in the Slovak Republic: within the current programming period three programmes for the Objective 1 regions in Slovakia will be implemented, in addition to the sector operational programme for agriculture and rural development: 1) Operational Programme – Basic Infrastructure - OP BI; 2) Sector Operational Programme Industry and Services - SOP IS; 3) Sector Operational Programme for Human Resources - SOP HR.

### 3.2 A Gender Perspective on Existing On-farm and Rural Community Diversification Policies and Programmes

Gender equality is secured by the Slovak Constitution (article 12, paragraph 2), anti-discrimination laws and basic legislation. However, these legal frameworks do not guarantee equal conditions for both sexes in the implementation of policy programmes and instruments. Although few studies have been undertaken to determine the gender effects of policies, programmes and instruments, there are strong indications that men
receive preferential treatment. This can be seen in the definition of eligible beneficiaries within existing rural development policies and programmes and the allocation of funding. For instance, the scope of measures in both the SAPARD Programme and the SOP for Agriculture and Rural Development (part 6) clearly shows that most of the financial benefits are absorbed by male beneficiaries: only about 12% of women hold managerial positions or independently own farms in Slovakia. It is also known that policy leans toward support of big projects (also within the tourism sector) and this requires high co-financing rates. Almost in all cases this excludes female-run enterprises, which are rather small and unable to take large bank loans.

Until 2005, only one gender evaluation study of a policy instrument had been carried out. For the first time in the history of public aid and following the request of the EC, the Agricultural Payment Agency investigated the gender aspect of the allocation of financial aid from the SOP for Agriculture and Rural development (see table 2). The results show that female beneficiaries, i.e. female agricultural managers or main farm owners, applied more often for structural aid within the sector (except in the forestry sector). They also show that women apply significantly more often for diversification measures than had been indicated by previous empirical experiences.

Table 2. Share of female beneficiaries (in absolute figures and %) in approved rural agricultural and RD projects.

<table>
<thead>
<tr>
<th>Measure</th>
<th>Number of projects approved</th>
<th>Female beneficiaries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td></td>
</tr>
<tr>
<td>Investments in agricultural holdings</td>
<td>697</td>
<td>250</td>
</tr>
<tr>
<td>Improvement of processing and marketing of agricultural products</td>
<td>140</td>
<td>50</td>
</tr>
<tr>
<td>Forestry – profit making investments</td>
<td>14</td>
<td>1</td>
</tr>
<tr>
<td>Forestry – public investment</td>
<td>37</td>
<td>14</td>
</tr>
<tr>
<td>Fish processing</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Aquaculture</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Diversification of agricultural activities</td>
<td>21</td>
<td>13</td>
</tr>
</tbody>
</table>

Source: Agriculture Payment Agency, SR, 2005

Clearly, a sector approach to policies and programmes does not meet the needs of women in rural areas. An integrated approach to rural development using local development strategies seems more promising. Examples involve small business development, projects based on national heritage, crafts, social, economic and environmental projects.

On the other hand, most beneficiaries of local infrastructure development measures and social inclusion programmes (OP Basic Infrastructure and SOP Human Resources) appear to be women. Their focus is mainly on schooling and training,
health, culture and social services. Rural women, however, have so far benefited least from this aid. This is due to the preference for urban projects and a delay in the implementation of the Fund of Social Development.

3.3 Future Policies

Ever since Slovakia became a full member of the European Union, its rural policies have been closely connected and programmed in line with European rural policies. Soon after its entry, the European Council accepted new rural development regulation and published the Strategic Guidelines for rural development. Within this new rural development policy, the Commission has adopted a proposal to reinforce the EU’s rural development policy and to substantially simplify its implementation. Reflecting on citizens’ needs and demands to focus on the environment, food safety and quality, the Commission wants the EU’s rural development policy to play a more important role in the new, reformed CAP. The proposal will increase EU funding, amounting to total EU funding of 13.7 billion euros per year for 2007-2013. By introducing a single funding and programming instrument, the new policy will be much simpler to manage and control. Coherence, transparency and visibility will be increased. Member states and regions will also have more freedom in the implementation of the programmes.

The following overview summarises the main features of the new rural development policy:

♦ One single funding and programming instrument, the European Rural Development Fund (EARDF).
♦ A genuine EU strategy for rural development with a better focus on EU priorities.
♦ Reinforced control, evaluation and reporting. A clearance of the account audit system will be extended to all parts of rural development.
♦ A strengthened bottom-up approach. Member states, regions and local action groups will get more say in attuning programmes to local needs.

The three main objectives of the rural development policy relate to the economic, environmental and territorial axes plus the LEADER axis. An integrated rural development approach is utilised. The four axes comprise:

1. **Axis 1: Improving competitiveness of farming and forestry**
   ♦ Improving and developing infrastructure related to the development and adaptation of agriculture and forestry
   ♦ Supporting farmers who participate in food quality schemes
   ♦ Helping young farmers get established
   ♦ Stimulating competitiveness of semi-subsistence farmers in new member states

2. **Axis 2: Environment and land management**
   ♦ Natural handicap payments to farmers in mountain areas
   ♦ NATURA 2000 payments
   ♦ Agro-environment measures
♦ Animal welfare payments
♦ Agro-environmental measures will remain compulsory. Beneficiaries must respect the EU and national mandatory requirements for agriculture and forestry.

3. **Axis 3: Improving quality of life and diversification**
♦ Diversification of non-agricultural activities
♦ Support for the creation of micro-enterprises
♦ Encouragement of tourism
♦ Village renewal

4. **Axis 4: New approach for LEADER**
Each programme must have a LEADER element for the implementation of local development strategies of local action groups. A minimum of 5% of national programme funding is reserved for LEADER in old member states and 2.5% in new member states; 3% of the overall funding for the period will be kept in reserve and allocated in 2012/13 to member states with the best results.

Rural economic diversification was recognized by the Commission and by several member states as an important tool of rural development policy. Different activities within the new regulation are targeted not only towards farmers but also towards rural micro-businesses (up to 10 employees) and rural tourism businesses in general (not only agro-tourism). This will help to diversify both the farming economy and the rural community economy and create more job and income-generating opportunities. Moreover, it will create more opportunities for rural women because they are more likely than men to engage in small entrepreneurial activities in rural tourism, craft development, social services, and educational, cultural and social activities.

The LEADER approach has become a real mainstream opportunity for rural development in EU countries. This enables Slovakia to implement an integrated approach in rural development based on a bottom-up, participatory and partnership approach concerning planning, managing, implementing, monitoring and evaluating local development programmes and plans. Hence, the programmes and plans will better suit local beneficiaries and their implementation can become more effective and efficient. As several experiences have already shown, this approach allows rural women to play an important role in local community development.

In the next section, the context of the present case study will be sketched. It concerns the village of Hrachovo and its broader setting, i.e. the micro-regions Rimava a Rimavica and Teply Vrch.

### 4. The Case Study of Hrachovo

#### 4.1 The Village of Hrachovo and Surroundings
The village of Hrachovo is located in the southern part of Central Slovakia, close to the Hungarian border. It is situated in one of the least favoured rural areas in the country. Together with eleven other villages, Hrachovo constitutes the micro-region
Rimava a Rimavica (abbreviated in this text as MR RR)\textsuperscript{33}. Micro-regions emerged as part of the public administration reform in 2000-2001 focused on decentralisation of administration and government. Neighbouring micro-regions started to co-operate because inclusion in programmes and funds linked to EU structural and cohesion policy requires a minimum number of citizens in a specific area. MR RR works for instance in different projects together with the adjacent micro-region Teply Vrch (abbreviated as MR TV).

‘Each village has a mayor, regardless of its size. Individual villages have little money and in particular small villages have limited access to loans. So, mayors started to co-operate once EU accession became realistic and funding was within reach. This resulted in the establishment of several micro-regions. Today, Slovakia has 250 micro-regions (within 8 larger regions).’ (J.T.)

Jointly, the two micro-regions contain 29 villages, 8846 inhabitants and they cover some 31,000 ha (Kubaliakova, 2004). The average village in the area counts 305 people, whereas the smallest village has 44 inhabitants. With 864 inhabitants, Hrachovo is the biggest village in micro-region RR (figures 1 and 2). The majority of the people in the two micro-regions have the Slovak nationality (82%), although in MR TV, the Hungarian minority is quite large (31%). Officially, the Roma population accounts for only a few percent, but in reality it is much larger. In general, the population in the area is slightly ageing (22% pensioners compared to 19% pre-productive youth). Despite the outflow of people after the changeover, the number of inhabitants decreased only slightly (by 0.5% between 1994 and 2003). This is due to in-migration in the past four or five years. Amongst the new inhabitants are young families attracted by its location and the possibilities to buy and renovate a house at relatively low cost. More than a quarter of the houses in the two micro-regions are uninhabited (27% in 2001; ibid.). The owners left the village after the co-operatives closed down and most have not come back. Many of the houses are still in their original state; they show the regional traditional architecture from before the socialist period.

\textsuperscript{33} http://www.rimavarimavica.sk/new/
Slovakia – Rural Women in Southern Slovakia as Catalysts of Local Development

Figure 1. Map of Slovak Republic

Figure 2.
The service level in the villages differs. Most villages in the micro-regions have a cultural house, a public library, sport facilities and playgrounds for children. The majority of communities and four primary schools have an internet connection and five more telehouses offer computer services. Healthcare facilities and other social services such as kindergartens (in total 10) are offered in some villages. Decentralisation processes forced the institutions with financial problems or a shortage of children (in the case of a school or kindergarten) to lower their service level. This implies that quite some community buildings are unused now. The region also has an advisory and education centre. Hrachovo maintains the best service level of both micro-regions.

Most of the land in the two micro-regions is agricultural (50.5%). It is largely cultivated by two private farms (covering 2000 and 1300 ha). Five much smaller farms (each having about 80 ha) and some smallholders (1-2 ha each) cultivate the rest of the land. Insecure land ownership rights inhibit farm development. In more than half of the villages land ownership is not properly registered. In Hrachovo, the land consolidation process started only a few years ago. This means that selling and buying land as well as access to loans have been hampered. Agricultural activity focuses mainly on sheep meat and cheese production, cattle breeding, pig production, meat processing, forage crops, oil crops and corn. Vegetables and fruits are mostly produced on household plots and in home gardens. Many home gardens contain orchards with traditional local species (apple, cherry, plum, pear trees), which have been protected through the years by specific grafting techniques. Apart from agricultural land, the area is largely covered by forests (43.55% of the total land; ibid). The state still is the biggest forest owner (51%). A forest association holds 19% and the rest is in the possession of villages, the church and private owners. Forests are mainly used for wood production.

The overall economic situation in the region is problematic. The regional unemployment level is high and long lasting, incomes are low and many people are dependent on social security payments. In 2004 the unemployment rate was 25% in MR RR and 35% in MR TV, whereas the national average was 15%. In some villages in the micro-region the situation was even worse (50%). Roma are over-represented in the group of unemployed (ibid.). Of the economically active population, only a quarter works in their own or a neighbouring village. The majority travels to nearby cities or farther south. Apart from agriculture and forestry, paid work is provided by enterprises in stone processing and machinery (vessels and metal production), the wood industry (saw mills, furniture, etc.), construction works, the food industry and distilleries. The service sector is growing and contains retail activities, business mediation services, catering, crafts, and transport. In the last few years some small enterprises and family businesses have begun to emerge; this is the case in MR RR. However, starting one’s own business appears to be a difficult process in Slovakia. Insufficient knowledge and skills and a negative attitude are considered to be the main problems. One third of the population in the two micro-regions finished primary school; 43% secondary school and only 3% has a university degree. A small part has no education at all; this concerns especially members of the Roma minority (ibid.). The knowledge and skills that many people have are often outdated, and entrepreneurial know-how and experience are lacking. Local rural development workers also stress that the majority of people lack initiative, are inflexible and not prepared to take risks. Motivation is another burning issue. Over the past 10 years,
many had to learn to make a living in alternative ways, and working habits have therefore declined. For many young people it is normal that their parents are unemployed and they themselves have never had a job. Increasing alcohol abuse is one of the results and it is becoming a social problem.

Rather poor physical infrastructure is an additional obstacle for entrepreneurial activity in the area. Hrachovo as well as nine other villages can be reached by a two-lane road and by train. The other villages are rather isolated. Construction of a motorway would be a precondition for outside investors and enterprises to come to the area.

4.2 Local Resources Provide New Opportunities

As referred to in section 3, the main rural economic sectors, primary agriculture and forestry, do not supply sufficient employment anymore and diversification of the rural economy is generally considered to be the best option to re-vitalise rural areas in Slovakia (European Commission, 2002b; Trvdoňová, 2003). Promising options for economic renewal in the two micro-regions are rural tourism, broadening and deepening of on-farm activities (e.g. ecological farming, on-farm processing and bringing back traditional but disappeared products, tourism), wood processing and crafts (Trvdoňová, 2003; Bartova, 2004). The extensive forests potentially allow for the building up of a wood processing branch (e.g. furniture, crafts made of wood, wood waste products) and marketing of forest products. (Unemployed) carpenters and other craftsmen hold the skills to build up such a branch. Improvement of the educational level in the region offers a lot of general potential.

Rural tourism, which today is the least developed sector in the region, is believed to have the greatest potential for the two micro-regions. Several initiatives already concentrate on this opportunity. A crucial resource for tourism is the natural setting, which is very attractive. Pastures and forests alternate in a beautiful hilly landscape. The two micro-regions contain several protected nature areas that partly belong to the Natura 2000 programme. The parks are famous for their oak and hickory trees and for the small lakes with unusual shapes, the clean soil, air and water. In one of the parks a Centre of Environmental Education, including a learning route through the park, has been constructed as part of a national programme for village renewal. The centre offers courses, meals and accommodation. Outside the parks, the abundance of mushrooms and small game have made mushroom collecting and hunting (although subject to strict rules to protect the game population) favourite activities of the local population. Furthermore, the famous Low and High Tatra mountains are also within reach of the micro-regions. The two-lane road which connects the popular skiing resorts with the Hungarian border cuts through the region. Furthermore, the area holds considerable water resources: two storage reservoirs, one of which is built on the river Blh and has the warmest water (26° C) in Slovakia, and four mineral springs. People come to the area for swimming, fishing, bird watching, hunting and visiting local caves. Until now, this has consisted mainly of day tourists.
Regional cultural heritage is another valuable resource with respect to tourism development. From historical material (written documents, archaeological findings) it appears that the area has a rich history that goes back to 11 centuries before Christ. The heritage of previous cultures is being developed as a source of income-generating activities today. Among these are traditional local crafts. Projects have been initiated to pass on the almost lost techniques of wood carving, carpet weaving and embroidery. In particular the locally produced wooden toys carved with patterns used in one of the former cultures (Kyatice) sell very well. Among the valuable historical objects in the region are Gothic Lutheran churches built between the 13th and 15th centuries, some of which have beautiful wall paintings. To increase access for tourists, a ‘gothic trail’ connecting these churches has already been constructed. A similar ‘iron trail’ reminds visitors of the iron production which brought rapid economic growth to the area in the 18th and 19th centuries. Some cultural attractions are associated with famous Slovak writers and other artists born in the region. For instance a ‘fairytale’ route composed of wooden statues portraying different fairytale figures is constructed in the native village of a famous writer. In the tourist season storytellers read different stories in public. What might be of interest to certain tourists are the marks of socialist architecture and rural planning: endless estates alternated by a concentration of huge industrial buildings and tenement buildings on the terrain of former co-operatives; flats in the middle of villages with traditional architecture; rural cities with residential areas stuffed with grey high-rise flats.

It is obvious that to realise rural economic diversification, various changes are needed (Trvdoňová, 2003; Bartova, 2004). Agrarian-based economic diversification will require a change in farmers’ attitudes as most of them still focus on agricultural activity.

“They can’t think otherwise and there are too few incentives to improve their businesses. That is why they stick to primary production. And to process their raw material, they need money - and they don’t have this.’

(H.K.)

Rural economic diversification further needs policy changes (Trvdoňová, 2003). As already stressed, an area-based and integrative approach is believed to be more effective than the highly segmented sector approaches. Likewise, a more participative approach would better meet local needs than the current top-down approach. Community initiatives and specific support of small and medium-sized rural enterprises are also crucial.

In the Rimava a Rimavica micro-region, some female pioneers have made a start with rural economic diversification. The first initiative was launched in the village of Hrachovo and concerns a non-agricultural diversification initiative.

34 ‘Cultural heritage’ refers to monumental remains of cultures as well as to ethnographic, industrial and intangible heritage. The latter includes languages, traditional music, styles of clothing, foods and recipes, local skills and knowledge, as well as informational, spiritual and philosophical systems upon which creations are based. (see e.g. http://portal.unesco.org/culture).
4.3 Context in which Initiative was Launched

Immediately after 1989, unemployment was not yet an issue in Hrachovo. The local agricultural co-operative, which provided the majority of the villagers with a regular and guaranteed job, was re-organised and continued its production. In line with national policy aimed at strengthening the economic basis of co-operatives, the community created extra jobs by opening a bakery and a shop. Yet, not everything remained the same in the village. As the co-operatives no longer provided social services, such as kindergartens, health care facilities, care for elderly people and food services, living conditions changed. The consequences were felt mostly by women. Those previously employed in such services lost their jobs and their workload in the family increased. This coincided with a re-emergence of traditional perceptions of gender roles. In 1996, the lives of almost all villagers underwent a radical change when the newly established agricultural co-operative went bankrupt. From one day to the next, nearly everyone in the village – 220 people – became unemployed. Only ten people could stay to round off business. Gradually, villagers started to move out; those who stayed behind had to deal with a completely new situation as job and income security no longer existed. In the years following the closing down of the co-operative, hardly any new employment opportunities were created. Employment policies in Slovakia focused on urban areas and most people believed that only previous employment strategies (large-scale projects mainly based on external inputs) could solve their problems. Moreover, taking initiative was uncommon as the former socialist regime had not valued this skill. A few enterprising villagers started their own businesses, including an export enterprise in iron materials and private farms of variable sizes. The biggest farm (1300 ha) serves more or less as a substitute for the former co-operative. Hence, most villagers remained without a job and became highly dependent on social benefits. This dependence continues today. Clearly, such an income is low (slightly more than 35 euro/month per person) and insufficient to live on. Therefore many people make use of the formal possibility to double their social benefit payment by working 10 hours a week for public objectives. Villagers also gain additional income through informal and irregular work, mostly in agriculture or construction. Further, small agricultural plots (1-2 ha) and kitchen gardens provide a substantial part of the needed household food, especially vegetables and fruits. The fruits are also used for the production of alcohol (the famous slivovica is produced in local distilleries). Surpluses from plots, kitchen gardens and alcohol production are sold on the local market and constitute other sources of income. Consequently, villagers found a way to survive (‘we lived like this for 10 years’) and many of them felt that they were making a sufficient livelihood.

At a certain moment, however, social security payments dropped dramatically and the villagers’ survival strategies became more and more inadequate. Nevertheless only few people felt the need to undertake action. Members of the Hrachovo community who try to stimulate new economic activities believe that in particular the ‘double payment’ system is a major obstacle in the development process. According to them, it keeps people from looking for jobs, especially since paid work is scarce and the minimum wage is close to an income gained through social benefits.
‘The ‘double’ payment is almost as high as the minimum salary so people are not eager to look for a new job. They have become lazy; they have no working habits anymore. This includes young people who depend entirely on their parents. This is especially common in rural communities.’ (H.K.)

A change in the villagers’ attitude was, among others, encouraged by a sociological study on the specific conditions and social needs of the local population. It was conducted by the Slovak Sociological Institute in 2000. This study appeared to function as a catalyst for a change in attitude. For the first time after the changeover, villagers were pushed to think about their problems and needs and to express them. Additionally, village renovation activities linked to an internationally funded rural revitalisation project showed that people could be mobilised to devote themselves to village life improvement. The two projects also drew attention to the role NGOs can play in rural development. The projects showed that the villagers had needs and that something could be done to fight poverty, passivity and deterioration of the liveability in the region. The projects inspired a few women in the village to initiate activities aimed at improving living conditions in the village and to create new employment. The driving force behind the initiative was Helena Kubaliakova, a women born and raised in a farmer’s family in the community of Hrachovo.

4.4 Female View on Rural Development

When the women formed a group and launched their first employment project, most villagers believed that the ‘old’, i.e. socialist, way to tackle unemployment was the only right way. They preferred attracting large-scale industries and getting engaged in big infrastructure projects (road construction\textsuperscript{35}, sewage, electricity, water pipes, etc.). Helena Kubaliakova was among those who questioned this approach. In her view, externally driven large-scale development projects are not sustainable and represent a ‘typical male’ development strategy:

‘Most people still think that big businesses are the panacea; that is how they think and what they want. In particular men can’t get rid of the mentality and development strategies of the past and want to start large-scale projects. I don’t believe in such a model. Some big investors will come and people won’t look anymore to the potential of their own resources. (...) Women see more perspectives than improving the physical infrastructure and getting involved in large-scale industrial projects. Multinationals like Kia, Peugeot, and Volkswagen have factories now in Slovakia, but men don’t see that these industries will move on when the production costs are lower elsewhere. It is not a sustainable activity. Such industries don’t offer structural employment while they do require huge state investments’.

\textsuperscript{35} Slovakia has the most expensive road construction projects of the EU.
A ‘female’ approach to development would be more promising, she believed. Its central idea is to create sustainable development to be achieved by small-scale entrepreneurial activities initiated at local level and primarily rooted in local resources. For this to work, one needs to recognise and valorise local level resources. According to this view, sustainable development means first of all creating durable local employment opportunities to increase rural vitality and to halt rural de-population. To obtain quick and maximal profit was not the aim.

Although the positive results of projects launched by the women’s group support this approach, many people still do not trust this method. The ‘old’, ‘male’ view and attitude toward development appears to be very persistent. Various policies and the way governmental money is allocated reflect this. For instance, each community receives funding to develop communal activities (public services) by the unemployed. Until now, in Hrachovo this money was allocated more often to male-initiated activities.

‘There are different strategies to create employment. You can encourage endogenous development or attract multinationals as is done in Slovakia. The first option, promoting self-employment and small and medium enterprise development by using local resources, is much cheaper and more secure. We for instance managed to create extra jobs at a cost of some 900 euros per job. (...) Men are not aware of the potential value of small-scale activities. Most of them don’t think it is worth it. They only want to see big money; they are not interested in small incomes. Working for small employment opportunities does not match their way of doing and thinking. This is a national problem. It is also one of the reasons that it is mostly women who initiate activities at local level. In Hrachovo for instance, women do everything; they are much more active and enterprising than the men. Women are also more patient. It is not easy to change this ‘male’ attitude; it requires time and specific strategies; we are still in the process of change.’ (H.K.)

Yet, Helena Kubaliakova perceives a gradual change in the attitudes of men. Their increased involvement in activities such as agro- and rural tourism is an example, she says.

‘Encouraged by the results of some local projects\(^{36}\), some people realise now that establishing micro-businesses and SMEs (small and medium enterprises) could make some sense. From the day men and farmers saw perspectives in rural and agro-tourism and farm diversification, they started to support our initiatives.’

4.5 Initiating Endogenous Rural Development in Rimava a Rimavica and Teply Vrch

Helena Kubaliakova started her village development activities after the bankruptcy of the local agricultural co-operative in 1996. Until then, she was employed in this co-
operative where she dealt with the land fund, land plots and administrative tasks. From that work she gathered ample knowledge about regional land affairs. After liquidation, Helena Kubaliakova was among the ten persons who performed the closing tasks. Knowing she would lose her job in the near future and reflecting that ‘it is not possible to finish something without beginning something’, she started to think about new employment opportunities. According to her ‘the person who starts something is far closer to the goal than those who do nothing’. She also believes that taking initiative is insufficient: ‘to get things done one must also take responsibility’. And so she did. Her strong ties with her own village Hrachovo made her focus on local opportunities. She had a specific interest in work that would contribute to an improvement of the quality of life in the village. At a certain moment, she was asked to participate in a training course for development activists; its focus was on revitalisation of micro-regions by civil activity. As part of the course, which was organised and implemented by ARVI (the national agency for rural development), rural female entrepreneurship activities were explored. This is where she learned about ‘saving groups’ (a concept developed by the Grameen Bank in Bangladesh) and where the idea of a food service for elderly people was born. Such a service would improve the life of elderly villagers and decrease the workload of women in the household. At the same time Helena Kubaliakova saw opportunities to create paid work for herself and other women.

‘I didn’t want to be(come) unemployed and I saw working perspectives here. When the co-operative collapsed the social service system disintegrated as well. One of the things people were accustomed to was food service.’

Once returned home, she and four other active women in the village decided to start a food service as well as a saving group. The latter initiative aimed at gathering some starting capital. They agreed that from then on (May 2000), each of them would save 300 Sk from their monthly social unemployment benefit. At that point, it was still unknown whether the villagers would really need a food service. Fortunately, a regional research project called ‘Together we can improve the life in the village’ initiated by an NGO in Banska Bystrica provided the answer. The need for a higher service level, including a food service for elderly people, emerged as one of the outcomes of this so-called ‘listening’ project. The women’s plan thus scored a bull’s eye. It should be emphasised that at that time, local activities were a new phenomenon in the region. Up to 1999 such activities had been frozen (there were for instance no women’s groups), although some initiatives for local level projects had already been undertaken.

Setting up a food service proved to be more difficult than expected. More than once Helena Kubaliakova and her friends felt desperate as new obstacles emerged again and again. Finding a suitable building in which they could prepare the food, and finding money to buy, renovate and equip the building (1 million Sk) proved to be a difficult and long-lasting process they were not really prepared for. Helena Kubaliakova was fortunately a good leader and thanks to her strong motivation, perseverance and good communication and networking skills, the women’s group

finally got access to different funding sources. It was important for their success that they had some starting capital, i.e. the money compiled by the women’s saving group (9000 Sk in 6 months). This was a pre-condition for getting a grant from a Dutch feminist funding organisation (‘Mama Cash’)\(^{38}\) to buy professional kitchen equipment (40,000 Sk).

> ‘Without that starting capital we would not have succeeded in establishing the activity; the money was an incentive to carry on.’

The women further collected money in the village (60,000 Sk) and both the Dutch Embassy (almost 2 million Sk) and the Slovak Ministry of Social Affairs (250,000 Sk) granted money. Other difficulties to be dealt with were new regulations concerning food services. In addition, the women needed to be trained in the different aspects of food service provision, e.g. hygiene, elderly care and accountancy. Once started, the women’s initiative proved to be highly successful. After some time they decided to integrate the food service into the activities of the local NGO (Ozveny), which they had also established. This structure offered more opportunities to expand the service. And indeed, under the wings of Ozveny the food service could evolve into a general home care centre. Today, disabled and ill people can also apply for the services. Furthermore, the services are not limited anymore to Hrachovo. People outside the village have access as well.

4.6 The NGO Ozveny: its Mission and Activities

According to Helena Kubaliakova one of the pillars of rural vitality is that people can have a ‘good village life’. In her view, a good social service level, a clean environment and good social relationships, including between the different generations, are major aspects. In 2000, this was more or less lacking in Hrachovo. Once Helena Kubaliakova learned about the opportunities available to an NGO, she became convinced that NGO activity would be a good way to increase people’s commitment to their village and to create social coherence. Hence, she and her friends gathered the support of some forty other people - mainly women and mostly unemployed - and they founded the NGO Ozveny. It was the first NGO in the region. Initially, the activities of Ozveny focused on rural youth and environmental education. Children were taught how to take care of waste and how to improve the village’s appearance. Cleaning bus stops and planting flowers in public gardens were some of the activities\(^{39}\). To encourage the children, a competition between schools was organised. Other activities included the organisation of music, dance and sports activities and also the strengthening of intergenerational links. The latter concerned a project aimed at revitalisation of traditional crafts (e.g. carpet weaving, embroidery). Elderly women who still mastered these skills showed the younger generation how to do it. They also taught them to be proud of such skills. Basically, the different activities aimed at strengthening the rural roots of the young generation, making rural life attractive and meaningful to them and stimulating feelings of responsibility for their village.

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\(^{38}\) Actually, this grant was formally allocated to ARVI (the national agency for rural development) and then donated to the Hrachovo women’s initiative.

\(^{39}\) The flowers were stolen three times but planted again and then finally the robbery stopped.
At a certain moment Ozveny broadened its mission to better deal with the needs expressed in research carried out in the region. Future activities would be targeted at all social groups in the community and focused on improving village life in a broad sense. It was at this point that the food service of the women’s group became integrated into the activities of Ozveny. The new mission covered village renovation, economic development, education and training, care for the environment and nature, provision of services and vitalisation of social village life. Increasing social coherence in the village was a deeper aim.

Slowly, the new agenda of Ozveny started to change things in the community. Of great impact was their internet project which improved villagers’ access to information and knowledge. Until that time, internet service was lacking in this region. According to Slovak public (urban) opinion, internet was of little importance for rural inhabitants. This became abundantly clear when Ozveny applied for funding. The administrators responsible for allocating the money could not understand why village people needed such services. Fortunately, Helena Kubaliakova could convince them of the relevance of the initiative. In the end Ozveny received the maximum amount. Once the internet service was installed, many people discovered its possibilities.

‘It opened for us the window to the outside world. We started to search for grants and other support. Also mayors of different villages started to use it.’ (H.K.)

Not surprisingly, computer courses were among the first educational activities organised by Ozveny. The educational offer further included language courses, courses in enterprise and business development, NGO development, project design, funding application and project management. More recently a strategy course linked to future participation in the EU LEADER programme was added to the educational programme. Additional services include coaching and the provision of advice, e.g. to entrepreneurs (as the local bakery) and to regional NGOs carrying out projects similar to Ozveny projects. Other Ozveny projects aim to safeguard traditional but almost lost skills like carpet weaving, wood carving and sheep breeding.

To generate extra income Ozveny started to offer extra services such as providing accommodation for course teachers and other guests; renting out space for weddings, funerals, commemorations, birthday parties, etc.; serving meals at special occasions; selling luxury pastries (bought from a bakery elsewhere), etc. The latter service is not yet a good running business because of the still dominant view that ‘a good housewife in rural areas must bake her own pastry’.

Support of rural tourism activities is another and ever more important aim. It consists of training and skills acquisition, inventing of new projects, establishing co-operation between different stakeholders, co-ordination of rural tourism plans at micro-regional level, and advocacy and lobbying at higher governance levels.

Being the motivating spirit and pivotal person in Ozveny, Helena Kubaliakova managed to realise co-operation between different stakeholders in the two neighbouring micro-regions. Her understanding of the opportunities offered by EU rural development programmes made her aware of the advantages of co-operation. Recently, a joint plan was designed to promote rural and agro-tourism in the two micro-regions and for this aim a micro-regional association was established. Inter-micro-regional co-operation opens up perspectives for future participation in the EU.
LEADER programme, through which access to more structural funding for rural development can be gained.

The women of Ozveny further intend to open and manage a ‘Mother Centre’. This centre will become a part of a network of five rural ‘Mother Centres’ in the Banska Bystrica Region and will provide a home for women during their maternity leave. In the centre, they can meet and share experiences, use the internet or educate themselves. The centre will also assist them in finding a job once their maternity leave is over and encourage them to participate in other development activities.

Helena Kubaliakova and other members of Ozveny actively disseminate their experiences at relevant occasions (exhibitions, meetings and seminars focused on rural development). This has made people in the wider region reflect on their own opportunities and has stimulated them to start similar projects. The Ozveny members in turn have learned from people’s experiences in comparable activities elsewhere.

In 2006, Ozveny had 20 members, of which the majority was female. Helena Kubaliakova is head and manager of the NGO. The board, consisting of her and four other members, executes the activities decided upon in the yearly meeting of the General Assembly. A so-called Watching Board controls the financial aspects of Ozveny and deals with the property. One of the employees of Ozveny (Helena Kubaliakova’s daughter Mirka) spends part of her time gathering information about funding possibilities, upcoming conferences and congresses, new laws and regulations; facilitating village and micro-regional planning meetings; and conducting socio-economic research in the two micro-regions.

4.7 Achievements of Ozveny

The achievements of Ozveny are manifold. The following is a summary of what local leaders believe to be the organisation’s most important achievements, starting with the most immediate and visible achievements and then proceeding to the less visible, but probably more fundamental and long-lasting, changes:

♦ A successful food service for elderly, ill and disabled people: sixty pensioners from Hrachovo and fifty people from the wider neighbourhood currently make use of this service. Food can be collected at Ozveny centre or delivered at home. The organisation established its own transport service for this purpose. Many elderly people appeal also to the more general home care Ozveny provides, i.e. help when taking a shower, dressing, for medical care, etc. They also participate in cultural and social events Ozveny organises for this target group.

♦ Improvement of knowledge and skills of the local population through the offer of additional education and training opportunities. Gradually Ozveny became a regional education and training centre, specialised in rural development. Up to now, more than one hundred – young and old – people living in the area have been trained in various subjects and skills, in particular in those needed for self-employment. External trainers are hired to teach. During the courses, food is prepared by members of Ozveny.

♦ Introduction of internet. Following the initiative in Hrachovo, five other villages opened ‘telehouses’. Today internet is a standard facility in rural areas as a
nationally launched programme made internet a structural part of school facilities.

- Ozveny’s service centre offers accommodation for five people. This is a great asset because the lack of lodging opportunities is a regional problem.

- Engagement of villagers in village renewal projects in which Ozveny participates. The (voluntary) labour input of villagers made it possible to improve the village’s appearance (e.g. renovation of bus stops, houses and public spaces), establish a separate waste management system, restore some cultural heritage objects (historical water well), improve public facilities (youth centre, sporting fields, children’s playground) and renovate and purchase the building in which Ozveny centre is housed.

- The capacities developed at the relatively ‘modest’ levels described so far have been extended to wider domains. The professional approach of the service activities and the expansion to other fields of activities have been remarkable. The more professional approach resulted in the creation of new jobs. In 2006 Ozveny provided six women with full-time paid work and three women had work on a contract basis. Two additional persons, paid by the Labour Office, were gaining working experience by participating in Ozveny activities. Furthermore, several teachers have been paid for lecturing in the various courses Ozveny provides.

- Creating conditions for a blossoming tourist branch in the region. It was recognised that to attract tourists, the associated basic tourist infrastructure and institutional support must be well developed. Ozveny encouraged cooperation with other villages and NGOs in the area that started similar activities to accomplish this.

‘They recognise that tourism development needs a larger area to fully develop its potentials’. (H.K.)

Projects involve the renewal of traditional crafts and renovation of properties in order to be able to house and feed tourists. The projects represent potential income opportunities for some villagers, i.e. those who want to start a pension, a hotel, restaurant, café, a shop, etc.

‘We possess the arts of traditional embroidery, carpet weaving and wood carving. That is part of our cultural tradition. We could teach the younger generation these skills and sell the products to tourists.’ (L.S.)

‘We should focus on creating accommodation facilities. We have the resources: there are many empty buildings and houses as well as sufficient land to build new accommodations. We have all kinds of plans but we need people to carry out these plans.’ (H.K.)

Additional projects and project plans focus on providing services and attractions for tourists, for example transport facilities, an information centre, a museum, walking and cycling tracks through the national parks and in the mountains; organised hunting tours; fishing locations, barbecue and picnic areas, the
production of region-specific products and establishment of marketing channels for them. One of the villages wants to open a tourist centre, which should facilitate diverse activities. The projects will generate new employment and income opportunities. For instance in the tourist centre, six people will be employed for six months a year. The crafts project in which wooden toys are carved with old Kyatice patterns will generate five full-time jobs as well as additional freelance work. Funding has been received and work has begun to renovate the building in which the centre will be established and to equip it with furniture and tools. Now additional funding is needed to train and employ people.

The renovation of houses and public buildings will create a potential income source for some families as well: they could start a hotel, bed-and-breakfast, a restaurant, etc. Additional services that are still lacking and could provide sources of income include specialty shops, a Laundromat, bike-rentals, etc. At the moment, some of the planned projects are already being implemented. New employment in the region will further be created by starting social support service projects in other villages. A planned social service centre in a neighbouring village is expected to generate twenty jobs.

An important precondition for people who want to earn an income out of tourist activities and services is that they dispose of the appropriate skills and knowledge. Ozveny plays an important role in this.

The majority of projects are still in the planning stage. It takes time to build up a tourist sector and careful planning and co-ordination of tourist projects at micro-regional is important. A common approach and good cooperation should ensure future success (cost reduction, no overlaps, co-ordination of activities, sharing of knowledge, etc.). Consultation and design take place within the micro-regional association, a partnership in which Ozveny co-operates with the mayors of the twelve villages of the micro-region and five entrepreneurs. Ozveny – or in fact Helena Kubaliakova – again has been the driving force behind the establishment of this partnership. The association consults and negotiates with other actors involved in the setting up of an effective tourist branch, including administration of protected nature areas and the Association of Rural Tourism. One output of the two micro-regions is the design of a territorial zoning scheme. They have furthermore participated in a SAPARD project. One of the aims of the two micro-regions is to become a LEADER area in the future.

Even more important than the described ‘overflow’ into a widening range of new activities and the generation of new employment is that the original initiatives (as ‘modest’ as they might appear at first sight) have contributed significantly to the creation and further enlargement of social capital. This is noticeable in many ways and at many levels. The created civil society organisational capacity is an important element. As mentioned, Ozveny was the first NGO in the area. Today, more than sixty NGOs and other civil society associations are active in the two micro-regions. Ozveny has proven to be a good role model. Participants think that its activities triggered a change in attitudes. Underlying values seem to be changing as well, albeit evidently quite slowly. The recognition of the significance of the initiated social projects by
local business people and their willingness to get involved in new activities Ozveny develops are telling in this respect.

‘Initially, offering services to elderly people was not considered an entrepreneurial activity; today this attitude is different. Now it is seen it as a new and valuable activity; people see the business behind it. Last year, all our social activities were sponsored by entrepreneurs. Two years ago, this would not have been possible.’ (H.K.)

Entrepreneurs have in fact contributed far more than just money.

‘Those among them who are also deputies of the council have supported the process of privatising the services. They took their entrepreneurial skills to the public domain and used these skills to establish the services.’(H.K.)

The perception that development is carried out by outsiders and is dependent on external resources is gradually changing into the view that people themselves can become agents of change and that local resources provide a good basis for development. Step by step people are beginning to see the value of their resources and acknowledge the potential. Some now realise that deployment of talents, taking initiative and responsibility, trust in people and co-operation will bring them a better future than cherishing false hopes, apathy and laziness, high dependency on social payments, distrust, envy, jealousy and unwillingness to co-operate. Yet, attitude change appears to be a slow and laborious process, which will require much more time before it is sufficiently widespread.

5. Analysis: Factors of Success and Failure

Ozveny is a special and promising case. According to the former female director of ARVI (national agency of rural development), who has ample knowledge of the achievements of rural NGOs, Ozveny is special for a number of reasons. First, they started up with a socially oriented programme. As mentioned before, Helena Kubaliakova’s idea to create food and other services for elderly villagers was a unique initiative in Slovakia because NGOs here mostly focus on technical infrastructure (roads, sewage, water pipes, heating system, etc.), on rural tourism or on ecological agriculture.

‘The lack of technical infrastructure indeed is a main issue. But unemployment is a core issue as well just as a lack of social services.’ (J.T.)

What makes the case even more exceptional and promising is that the increase in self-confidence, the emergence of patterns of co-operation and the creation of trust – in short: the increase of social capital – functions as the most important objective in their approach. Notwithstanding (or possibly due to) this special nature of the Ozveny
case, it is relevant to look at the specific factors that contributed to the described success. The former ARVI director points to the following factors. According to her, successful NGOs in Slovakia all share these characteristics.

1. **Strong and committed (female) leadership:**
   ‘Successful NGOs all have a strong leader. Rural initiatives need a strong vehicle at local level to have a chance to develop. This must be a strong person who knows how to deal with local level resistance. All the leaders I know, actually mostly women, share this quality. They are personalities. They dare to take the risk although they have to face quite strong opposition from the local population and from the(ir) men. Weak leaders do not delegate or do not share tasks and responsibilities and have the wrong attitude. They tend to behave like bosses. (..) The danger of strong leaders is that is no new leadership capacity is being built, so succession is not taken care of.’ (J.T.)

   A member of the Watching Board of Ozveny confirms that good leadership is essential for their success. She says:

   ‘We run many activities at the same time and we are doing well. Our luck is that we have a smart leader. She knows how to manage this organisation, how to lobby for funds and how to get political support. She is also a good role model: in the beginning she had to learn a lot but she took training courses to increase her capacities. She also became self-employed.’ (L.S.)

   Strong leadership coincides with:

2. **A good understanding of the problems and needs, of the opportunities to fulfil these needs and of strategies to accomplish this.**

3. **Recognition of the importance of schooling and training.**
   Helena Kubaliakova realised that education is crucial for further development of rural areas. Under her leadership, Ozveny became an education centre with a broad offering of courses and training possibilities. The interest in the training courses indicates that local people are willing to gain additional knowledge and skills. This can be considered a strength. Mrs. Kubaliakova herself expanded her skills and knowledge whenever possible, and the same is true for other women within Ozveny.

4. **The creation of a large and well-functioning network and a supportive environment. Good networking skills and political feeling are helpful.**
   As the leader of Ozveny, Mrs. Kubaliakova has built a large network. It consists of many different persons and organisations (family and friends, priests, regional entrepreneurs, rural development workers, politicians and policymakers, NGOs, scientists, etc.) at different levels (personal, local, regional, national) (see figure 3). As a member of different fora, e.g. the village council, the
regional and national rural parliament, Helena Kubaliakova tries to influence policies. She uses her network whenever needed and possible. Helena Kubaliakova also works as a consultant for regional and national level institutes. This allows her to share her experiences and knowledge, and Ozveny also benefits a lot from this network; it can rely on support from various institutes and organisations. Under her leadership, Ozveny started to co-operate with other NGOs and many other organisations. See box 1 for a more extended description of the supportive environment.

5. **Regular communication with local level authority.**
From the start, Helena Kubaliakova informed and consulted the mayor (and when necessary also the council) about the plans of Ozveny and she insisted on co-operation. This created good relationships: she has an ‘open line’ to the mayor for example. In addition, local money has been invested in the development of joint plans, programmes and projects; even so the municipality has a low budget.

6. **Achievement of visible results that are beneficial for the whole community in a short period of time.**
This is of importance to gain people’s trust and support. Helena Kubaliakova was able to attract public money within one year and by investing the money in social service projects she fulfilled local needs. The new employment opportunities and the creation of an internet connection in the village were also very much appreciated and valued. It was crucial that people could see Helena Kubaliakova was devoting her energies to improving the wellbeing of the whole community instead of merely to her own individual advantage.

6. **Key Persons in Boosting Regional Co-operation**
The creation, functioning and expansion of networks has played a crucial role. Figure 3 gives an overview of the particular network of Helena Kubaliakova. It shows that her network goes effectively beyond the boundaries of the local, the sectoral and the formal. At the same time it is important to describe and understand both the identities and the networks of other important local leaders, especially since they became the key players in new patterns of regional co-operation. A short ‘portrait’ of some of these leaders is given below. This will be followed by a description of the values they share, which came increasingly, and convincingly, to the fore precisely through the activities of the network of these local pioneers.
Box 1. Supportive Environment
The activities developed by Helena Kubaliakova and the NGO Ozveny could not have been successful without external support. The support in different fields – technical, educational, financial, political, scientific, and legal – comes from actors active at different levels of society. The main external actors, who offered advice and mentoring, training, research, advocacy and lobbying, funding and political support, are the following:

**ARVI:** the national agency for rural development. Its general tasks include the provision of information, education, guiding people through the process of rural development and giving support in the form of training and mentoring. The former director of ARVI gave Helena Kubaliakova and Ozveny a lot of support. After the two met at an ARVI training they stayed in close contact. ARVI for instance trained the women of the saving group to achieve the necessary qualifications to start up and run the food service (hygiene, elderly care, accountancy, etc.). This director shared her network with Helena Kubaliakova, opened doors to funding possibilities, supplied technical help and functioned as teacher in the courses Ozveny organised. She linked Helena Kubaliakova to interest groups such as the Regional and Rural Parliament and promoted Ozveny initiatives. ARVI also helped develop contacts with the regional development agency in two district cities.

**The Sociological Institute of the Slovak Academy of Science:** their research on the social needs of rural people encouraged villagers to reflect on and express their needs. The research results made problems visible and offered a starting point for further action.

**The Educational Institute in Bratislava** gave fifty regional activists, who were to participate in the research, training in interviewing techniques.

**VOKA,** a regional community development organisation, gathered information by means of a so-called ‘listening project’ about community needs in Hrachovo. In this survey, carried out on request of Ozveny, it was confirmed that elderly people needed improved services.

**Agro Institute in Nitra** provides different courses on rural development. Participants can simultaneously enlarge their network and look for new forms of co-operation. For instance, during one of the courses Helena Kubaliakova linked one of the Ozveny projects to a Flemish project.
Donor organisations (national and international) have provided financial support. One of these DFID (British Department for International Development) was involved in a project on regional development in the Banská Bystrica region. Within the framework of this project the strategy at micro-regional level was designed and financial support given to various projects. Among these were the internet centre, the setting up of social services, creation of accommodation facilities, the reconstruction of sports fields and of the historical well, the construction of a footpath to the kindergarten and a youth centre. DFID funding was further allocated to the local bakery for expanding its production and to buy a new sawing machine. Ozveny gained additional grants from funding sources in Slovakia and abroad. Among these Mama Cash, a Dutch feminist funding organisation, the Dutch Embassy, the Slovak Ministry of Social Affairs, the US Peace Corps, SOROS Foundation and Funds of the European Union (PHARE and SAPARD).

Association for Sustainable Tourism in the Slovak Republic gives advice on tourism development.

The Rural Parliament, a National and Regional Rural Parliament (NRP and RRP): the main task of the NRP is lobbying. The RRP gives technical assistance to rural development; its focus is on capacity building, networking and dissemination of information. Helena Kubaliakova is a member of the regional and national RP. See box 7 for more information on RRP.

Box 2

1. Norbert Kelo is a private farmer in Velke Teriakovce, a village in MR TV. In the summer of 2005 he received a prestigious prize (‘Zlaty kosak’) awarded for the very good economic results of his farm. With a farm of 2000 ha, he is one of the biggest farmers in the region. His father became a private farmer after the closing down of the co-operative in which the family had land. As a starting farmer, he could benefit from his former position as manager of the Hrachovo agricultural co-operative. With the help of his family he turned the farm into a flourishing enterprise. The main income sources are oil plants, cereals, EU sheep premiums and direct payments. Almost a quarter of his income is derived from EU sources. Considering the risky cereal market and uncertain EU policies and involved funding opportunities, he wants to diversify the farm activities. His intention is to add value by switching to ecological production, starting a milk sheep branch and expanding his farming activities to include self-processing (cheese, wool), nature and landscape management and agro-tourism. The self-processed products will be marketed at a local selling point for region-specific products. He further plans to build a hotel on the gothic trail that crosses his land. His motives for this idea are multiple: to advance his own interests, create extra employment and protect natural resources. Several discussions with Helena Kubaliakova informed his decision to diversify his farm. Active promotion of rural diversification by policymakers was also influential. ‘They always pointed to the positive results of rural tourism initiatives in Slovenia. So people got interested in this’.

Norbert Kelo has gained the – crucial – support of the local mayor for his plans. He trusts his membership of the village council will also help to convince the community. As a member of the micro-regional association, he discusses his agro-tourism plans with other stakeholders. According to him, the association offers a good organisational framework through which to co-ordinate the so far isolated rural development efforts of individual persons.
Box 3

2. Joseph Macuda: After his career in the army (he retired at a young age) he wanted to make himself useful in the village. As director of the newly established NGO ‘Domovina’ in Velke Tariakovice, he can put his knowledge and skills into service of the village. Domovina aims to improve the service level in the village and find ways to decrease unemployment. To generate jobs, Domovina has planned two projects. The first project entails the opening of a carpentry shop in which wooden toys carved with traditional patterns stemming from the Bronze Age will be made. It will create five full-time jobs and additional freelance work. The project was initiated by Helena Kubaliakova. At an agricultural exhibition, she had met the only person in Slovakia who still has the skills to make the toys. He told her that he could not meet the growing demand and that he was looking for people to which he could hand over his skills. Ozveny could not implement the project, so Domovina came into sight. In a meeting organised in co-operation with the local unemployment institute, unemployed people were asked whether they would be interested in learning this craft. Sufficient people showed interest and a qualification project (with a duration of eleven months) will soon start. At the end, the five most talented participants will be selected and offered a paid job. A funding proposal has been submitted to the ESF (European Social Funds).

The establishment of a ‘house of social services’ is the second planned project. The house will include twenty beds as well as offer a home nursery and care for elderly, ill and/or immobile people who live elsewhere. Transportation and social advice are part of the service package. It is expected that twenty persons will be employed. Funding has already been found for part of the project.

Tourism development (e.g. organisation of cultural events and festivals, opening of a hotel in an old saw mill and promotion of regional products) and the founding of an NGO for Roma are on the agenda as well. Roma are over-represented in the group of unemployed: only 2 out of the 141 Roma of working age in Velke Tariakovice have a formal job.

To increase the chances of success, Joseph Macuda has gained the support of the mayor, the local priest and the village council, of which he is also a member. Both the mayor and the priest use their influence and networks to get funding and support for the projects. Mr Macuda also has good contact with villagers. Many young people in the village have already offered their support to make the initiatives successful. All the plans developed by Domovina have been discussed at meetings of the micro-region.

Box 4

3. Alena Knechtova is the owner of the bakery and grocery store in Hrachovo. In the course of some years she managed to generate eleven full-time jobs, including her own. Most jobs are linked to the bakery, and two to the grocery store. Except for one, all the jobs are carried out by women. Alena Knechtova’s work improved the income of her own family as well as others’. The bakery produces different kinds of bread and cookies. For some of her products – like sweet bread rolls – she uses her grandmother’s recipes. The needed ingredients including nuts, fruits, poppy seeds, jams and cheese are local products. Since the local mill shut down, the flour has to be bought elsewhere. The products are sold in twenty-four regional shops. She has built up this sales chain by paying personal visits to all the involved shops. Ozveny centre is one of her clients. With the money she has earned, she opened a grocery store in the same building in which the bakery is located. She also rents out part of this building to a woman who runs a second-hand clothing shop. She plans to invest in new technology so she can better meet the growing demand and decrease the workload of the bakers who now work with traditional stoves. At the same time this will enable her to employ more people and to raise the salaries.

‘I want to improve the salaries of my employees; they don’t earn enough. Expanding the bakery will generate more profit and open up the possibility to increase their salaries’.

Finding the money for the investments is, again, a problem. But she is optimistic that she will succeed.
She has always had a strong drive to develop herself. She used periods of unemployment for re-education. A training course in entrepreneurship encouraged her to start her own business. She prefers this to regular employment, for it is a way to remain autonomous (retain control over her own time schedule and organisation of work) and thus to reconcile work and family. Without the support of Helena Kubaliakova she would not have been so successful, she says. Helena Kubaliakova regularly advises her with regard to management and business development and she helped her with funding applications for expanding the bakery.

Alena Knechtova is a member of the financial committee of the village and co-operates in the micro-region to develop the tourism sector.

**Box 5**

4. **Janka Durišová** is mayor of Rimavské Zalavzany in MR RR, one of the smaller villages in Slovakia (326 inhabitants) and former president of the micro-regional association. The main problems in her village are high unemployment (40% in 1999), out-migration of young people and disinterest in public issues among the villagers. She believed that getting involved in local governance structures was the best way to really change something in the village. Therefore she ran for mayor. Participation in training courses for female rural mayors in Slovakia and on leadership strengthened her motivation. These provided the opportunity to learn about strategies and instruments to improve living conditions, but also able to meet and receive support from other activists – Helena Kubaliakova and Maria Koniarova, another mayor in the region.

The initiatives she launched to create employment encompass a stone-processing enterprise and a wood-processing industry. Similar to the other pioneers she is planning activities to develop rural tourism (opening a tourist centre, accommodation) and to improve the local social service level. Renovation of unused spaces in public buildings and uninhabited houses is also being considered. She stresses that changing people’s attitudes is crucial for success. ‘We have to change their minds first and let them see that we can offer a lot to outsiders and that many places in the village could be made suitable for visitors to stay over. The problem is that local people don’t see the resources around them and they don’t know how to use them. It will take time. But I see that in particular people who take part in training courses are starting to understand that nothing will happen unless they give their support.’

To create social coherence and village commitment, she wants people to get involved in some village renovation projects (bus stop repair and other improvements). People should be encouraged to participate by getting extra social security payments. She wants further to organise meetings in which old and young people exchange experiences and discuss project proposals. As people lack information, she wants to set up an information centre in her village. Money is a problem. Her hopes are set on SAPARD money and on governmental support. Problems she encounters are corrupt officials and the poor influence of mayors. With respect to regional development, she expects a lot from the LEADER project.

**Box 6**

5. **Maria Koniarova**, mayor of Driencany in MR RR, and her daughter **Maria** (23 years) a community worker in the micro-region. The mayor has close contacts with Helena Kubaliakova and Janka D, whom she got to know during various workshops. They work together in the micro-regional association. The main problems in her village are high unemployment (about 30%), impoverishment, an ageing population, alcohol abuse, growing ethnic tensions (between Slovak and Roma people) and the growing group of children who do not go to school, among other reasons because of the high transport costs. Inspired by her mother’s ideas and activities, Maria’s daughter took the initiative to establish an NGO in the village. The members are predominantly young people. The objectives of the organisation are similar to those of Ozveny:

a) To improve the life quality in the village. Also here, a special focus is on youth and young
children. Activities are developed to strengthen their rural roots. Once a year a day is organised in which young and old meet each other. At those occasions old people tell the young one’s their life histories and experiences and they make them familiar with (past) village customs, crafts and arts. To safeguard local skills and crafts (recognition of mushrooms, cooking of local recipes, carpet weaving, embroidery), competitions are organised; and theatre is also used to pass on traditions. Women’s organisations in the region further exchange knowledge and skills and learn from each other. A more general aim of organising community activities is to strengthen social cohesion, to keep the village people together, to create a feeling of belonging to the local community (‘as if it is a big family’).

b) To encourage economic activities especially in the tourist sector with the use of locally available resources. So far, a fairytale route through the village was constructed. The route is based on the fairytales of a famous Slovak writer born in this village. Planned projects: to open a tourist centre in the former vicarage of the local Gothic church, to construct barbecue areas and a children’s playground, to create a walking and a cycling route through the beautiful landscape, to promote guided hunting and bird watching tours, to construct a roller skating trajectory around the artificial lake, to provide accommodation. Self-employment is considered a good way to earn income with tourist activities. To prepare the villagers for self-employment (how to renovate a house, start a business, manage it, etc.) the NGO offers courses. Co-operation at micro-regional level is considered crucial for future achievements.

6.1 Motives, Values and Beliefs

Through their involvement in the construction of a new development trajectory for the two micro-regions as well as through the many discussions and exchanges of experiences, the local leaders were increasingly able to identify, explore, express and elaborate a new set of values. This inspires their activities, whereas these same values are increasingly strengthened through the new activities. We consider these newly emerging values (that probably have been lying dormant for decades) as a key element of the recently constructed social capital. Some of the following values overlap – at the same time, though, they mutually reinforce each other 40:

**Personal motives and values**

1. **The wish to work and earn their own income** instead of being dependent on state-provided social payments is a primary motive. Work also gives meaning to their lives.

2. **Attachment to and love for rural life** is a second motive to undertake action. Their wish is to improve the rural living conditions and to keep people in the countryside. The pioneers find village life much more satisfying than city life. They value its serenity, living close to nature and the small social community which makes daily life less anonymous. The knowledge that they share this experience with many other people inspires them to think of ways to keep the countryside alive.

   ‘I used to live in the district town but I prefer village life. Even if I had the freedom to move, I would not do it.’ (Macuda)

40 These values were identified during interviews conducted with several stakeholders.
Their initiatives to improve rural living conditions focus on creating sustainable job and income opportunities, social services, village renewal, adequate institutional support and enhancing social cohesion.

3. **Solidarity with or commitment to helping the many long-term unemployed people and their poor living conditions.** The pioneers are convinced that development opportunities do exist and that people can increase their material wellbeing and create a more fulfilling life. They care in particular for the young people who have no working experience and consider being unemployed as ‘normal’. They want to help create new hopes and dreams and stimulate new aspirations and ambitions.

   ‘My dream is to encourage the economic activity in the village and to increase the wellbeing of local people. For this reason I would like to see Hrachovo serve as a regional centre, because it is located in the middle of the micro-regions. It should also become the centre for rural tourism; especially the surroundings of the village have potential.’ (H.K.)

4. **They also worry about the decreased social climate in villages and want to change people’s attitudes.** Many people have become accepting of their current situation. They envy and even distrust other villagers who have taken initiative and are now successful. Alcoholism is a growing problem and ethnic tensions cannot be overlooked.

   ‘I had a chance to listen to people and I learned about their disinterest, apathy. I wanted to change that; I wanted to change something in my village. I have ideals.’ (J.M.)

   The pioneers’ also share a common view on rural development:

5. **They believe in the value of responsibility, self-organisation and entrepreneurship.** They are convinced that rural development must primarily be initiated and implemented by the rural population (private persons, NGOs, enterprises, local policymakers and politicians). In their view, real progress does not come from the outside world, though external actors must support it.

   ‘The willingness to take the initiative and risks, and to be accountable for one’s own actions, is a prerequisite for change.’ (H.K.)

   ‘Apathy is a heritage of previous times. People will have to learn to solve their own problems. They always wanted others to solve them.’ (J.D.)

6. **Diversification of the rural economy** is considered the best strategy to revitalise rural areas and to safeguard their embedded natural values. In particular micro-businesses and small and medium enterprise development should be encouraged. Economic activity includes the provision of social services, such as care for the elderly, sick and disabled people; children, etc.
8. **Autonomy and self control** are central values in this approach and considered pre-conditions for sustainable development. The women of Ozveny criticise ‘old’ (i.e. socialist) rural development strategies. This model focuses on ‘exogenous development’ and a large-scale approach, for instance on infra-structural projects (electricity, sewage, road construction works, etc.) and the establishment of big industrial plants. The pioneers believe that such a strategy is risky, costly and not very sustainable. It makes rural areas dependent on the policies of investors and companies acting at global level.

9. **Maximal use of local resources matches very well with a high level of autonomy and self control.** An inventory of available resources, a critical evaluation of their current use and an exploration of their potential, possibly unconventional, use can result in new economic activity.

10. **Co-operation** at local and micro-regional level is believed a key value for successful endogenous rural development. This is not yet part of the culture.

   ‘There is no culture of co-operation (legacy of the past). People fight for their own benefits.’ (J.D.)

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**Box 7. Rural Parliament**

The Rural Parliament was established in 2000 as a body for lobbying and co-ordination focused on rural development. Later the task of providing technical assistance for rural development was included. The idea of an RP originated in Sweden. The Rural Parliament is a bottom-up initiative that runs parallel to formal democratic processes and structures. Lessons were also learned from the Hungarian RP. The RP operates both at national and regional levels and is assigned various tasks. The national parliament is composed of members of the regional parliaments. The national level is mainly involved in lobbying activities. Its members for instance organise informative meetings with politicians, governmental officials and representatives of other relevant institutions. Such meetings often coincide with exhibitions in which local foods and crafts are presented, and which provide representatives of the regional RPs the opportunity to present themselves and lobby among the attendees. After such events, members of the RP are generally invited to share information in meetings of parliamentary committees, e.g. the finance committee or the rural committee. Some participate in the SAPARD and agricultural programme committee, in the cross-border cooperation programme committee or in national monitoring committees. Others are members of working groups focused on the LEADER programmes or on new rural development regulation and policy. Direct communication with the Minister of Agriculture and Rural Development, the state secretary and civil servants of the ministry is possible. The RP can take the initiative for such consultations. The RP members also meet with representatives of political parties, but only in election times because ‘we don’t want to be linked to specific political parties’. Press conferences are also organised to promote the RP’s activities.

The six regional rural parliaments on the other hand focus on capacity building, technical assistance and co-ordination of rural development programmes and projects. For example, the RRPs organise and pay for training of future technical assistants of the LEADER-programmes.

RRPs maintain partnerships with regional governments, though the nature of these partnerships varies depending on the stage of their development, among other factors. Some have clear contracts with regional governments, others just talk about co-operation. The regional rural parliaments operate quite independently and have their own strategies. For the period of 2005-2006 the priority for all RRPs was to promote integrated/endogenous rural
development and support the design and implementation stage of LEADER-programmes. The RPPs can get money through the SAPARD-programme.

When asked about the influence of the RP, one of its members replied: ‘Influence? Sometimes we do have influence, sometimes we don’t have it. One of our biggest achievements is that we got SAPARD money. In 2003 we received 15 million SK (about 400,000 Euros). There was a call for a tender by the Ministry. The money was allocated to 3 RRP s which proposed to organise capacity building programmes for its members to gain the skills needed to support LEADER programmes.’ (H.K.)

Through the efforts of the RP, discussions with policymakers have been initiated; strategies for rural development have been developed; members of the RRP s have participated in various national and regional committees and working groups; and some RRP s have successfully negotiated partnership contracts with local governments. Contacts have also been developed with regional and local governments in villages across the region.

It is stressed by some members that RRP s are becoming bureaucratic institutions: the procedures, rules, paper work and task divisions are sometimes too strictly maintained. Therefore certain things are not carried out (‘it is not part of my job’).

6.2 Pioneers and the Newly Emerging World View

The indicated values tend to compose a new world view, one that strongly contrasts with the mental organisation of life under communist rule as well as with the marginal position of dependency during and after the transition. The new world view centers on self-organisation and responsibility, on the value of co-operation and on the potentialities of local resources.

Evidently, these values are, as yet, far from widespread among the rural population. It is the pioneers who are increasingly expressing these values by ‘materialising’ them into new convincing practices, which in turn helps to further disseminate the values. Unlike most, they believe that individuals can actually get things moving. They themselves have high self-esteem, an entrepreneurial attitude and skills and leadership qualities and they are not afraid to take on responsibility. For some of them, these attributes and skills are inbred.

‘I was brought up in a farming family so I have entrepreneurial blood, skills, knowledge. My family was very entrepreneurial.’(H.K.)

Pioneers are open to other people’s experiences, willing to gather new knowledge and skills and experienced in seeking out valuable information. Most of them take part in a number of social circles: aside from being employees or business owners, they are members of the village council, the church, voluntary workers and/or board members of various organisations, members of the regional and/or national rural parliament and of other national and international networks. They are in close contact with local people so they know their problems and needs. Some of them are very good lobbyists and networkers, and experience has shown that building up a supportive network is of strategic importance. To illustrate, Ozveny’s network is briefly described below.
7. Threats and Weaknesses that Hinder Future Development

The pioneers stress that the rural development initiatives and plans are vulnerable. They all point to several weaknesses that inhibit or even might thwart their initiatives. Some are similar to the weaknesses that emerged from SWOT analyses for Slovak rural areas in general (European Commission, 2002b; Trvdoňová, 2003). The threats and weaknesses mentioned by the pioneers are:

1. A weakening of solidarity and social coherence due to growing disparities between the villagers. After the transition, class, age and gender differences emerged. Some people started to earn quite a lot of money and this triggered feelings of envy. ‘People are afraid of difference’. Also, ethnic tensions have become stronger since 1989 (in relations with the Roma and Hungarian minorities).

2. People’s attitudes and patterns of behaviour. All pioneers stressed that these still very much reflect past conditions and lifestyles and are not geared to the new socio-economic and political situation. They say that most people are inactive, not prepared to take initiative and responsibility and are waiting for the state to solve their problems. They blame the collectivisation model, which was implemented on a large scale under communism in Slovakia.
'In Poland they did not have this problem because the people were used to entrepreneurship and small businesses, also under communism. But in Slovakia collectivisation was more complete so this tradition was abolished. This district was especially very communistic. The former government told the people what to do. So people are passive, apathetic, not used to taking initiative, responsibility and risks. Slovak young people are a problem of their own. They are not used to entrepreneurial work, and even worse: they are used not to working. They are used to getting things; they lack entrepreneurial blood, they have no spirit of enterprise. (H.K.)

Unfortunately, the division of labour in the former system produced other counterproductive habits:

'Under communism, people were not used to doing more than their own specific task. In the agricultural co-operative the division of labour was pushed to extremes, so job flexibility was low. One of the results of this system is that, even today, people want to do one specific task such as cleaning or milking. But now you must be more flexible to become a successful person in the labour market. For instance a private farmer must do and be able to do all the tasks belonging to running a farm and not just one.' (H.K.)

One of the results of this division of labour is that many tasks did not require much schooling. Therefore many people have a low educational level. Insufficient education and re-training possibilities in rural areas further mean that their knowledge and skills are out-dated. For regional pioneers in rural development, human resource development is thus a priority.

'We need to develop knowledge and skills like management and marketing. (...) But information is not valued by people in Slovakia; it is only money that counts. Village mayors also think in this way. If you bring in information (schooling and training) they don’t understand why they should have to pay for that. So above all we need to change their attitudes.' (H.K.)

Co-operation with other people is not yet part of their culture. This attitude stems from intolerance and a lack of trust and respect. Successful people who show initiative are especially distrusted. It is widely believed that they do not owe their success to their own efforts and capacities but to others, such as ‘a rich uncle’. Successful people thus have to face jealousy; they are envied for their capacities, their money and their lifestyle. Material success in fact drives people apart and has a negative effect on relationships between villagers. This hinders a common approach to local problems.

'People don’t co-operate. They envy people who do take initiative. Previously there was more social coherence. We have to change people’s minds.' (M.K.)
In such a situation enterprises based on family labour are considered to have more potential.

‘The Slovak attitude can be characterised by the following example: if my goat dies, I want my neighbours to have two dead goats. Jealousy and envy are characteristics of especially the rural attitude. It is a very big obstacle. It prevents us from making a good working and efficient system. You need to co-operate to achieve something. That is why we have family-based enterprises. They have more potential than others. Family members are reliable and easier to work with. Family members also work harder than they are paid for.’ (H.K)

Problems with co-operation may also have an ethnic basis (e.g. Roma vs. the rest of the population; Slovaks vs. Hungarians), be caused by differences in political views and preferences or insufficient organisational capacity. For instance, the regional ‘gothic trail’ designed to attract tourists does not achieve its end since there is no plan that regulates and co-ordinates the opening hours or makes (any of the many unemployed) persons responsible for the key, the cleaning or provision of information. Therefore visitors can find themselves before closed doors without knowing where to go to.

As the conditions for participation in the EU-PHARE programme41 shows – political pressure can help encourage co-operation.

3. The farmers’ focus on primary production is an obstacle for farm diversification. Most agricultural entrepreneurs have a traditional view of agriculture. Most agricultural holdings have a large-scale approach and focus on producing crops and animals, even though it does not generate high incomes per hectare. Uncertain land ownership rights, land fragmentation and a very limited land market also inhibit innovations in agriculture. Nowadays, diversification of farm activities is included in the policy of the Ministry of Agriculture. Programmes to support investments in agro- and rural tourism have been launched. Also EU programmes support tourism and regional product development. Nevertheless, research reveals that only a small group of producers applies for this kind of support. In the farming sector, it is mostly private farmers who apply. This group is small, both in number and in production output. The largest producers, i.e. agricultural co-operatives, are the least willing to diversify their production (see table 3). The ones who try to diversify focus on self-processing (small slaughterhouses, bakeries, dairies, etc.), obtaining shares in the food processing industry, establishing retail shops in cities or offering various services to

41 PHARE’s objectives are: 1) Strengthening public administrations and institutions to function effectively inside the European Union. 2) Promoting convergence with the European Union’s extensive legislation (the acquis communautaire) and reducing the need for transition periods. 3) Promoting Economic and Social Cohesion. These orientations were further refined in 1999 with the creation of SAPARD and ISPA, which took over rural and agricultural development (SAPARD) and infrastructural projects in the environmental and transport fields (ISPA) allowing PHARE to focus on its key priorities that were not covered by these fields.
municipalities or other customers. Only some consider tourism or small industrial activities as possible sources of income.

Table 3. Breakdown of income – into agricultural and non-agricultural production – per ha of agricultural companies in 2002 (in %)

<table>
<thead>
<tr>
<th>Source of income</th>
<th>Co-operatives</th>
<th>Commercial companies</th>
<th>Private farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural production</td>
<td>98.2 %</td>
<td>98.5 %</td>
<td>80.4 %</td>
</tr>
<tr>
<td>Non-agricultural production</td>
<td>1.8 %</td>
<td>1.5 %</td>
<td>19.6 %</td>
</tr>
</tbody>
</table>


At national level, three programmes were opened to support diversification activities on the farm and in the forests (national agricultural subsidies, Fund for Rural Development, SAPARD programme). The national agricultural subsidies and SAPARD, the two most influential programmes, focused on farm economic diversification and in particular on rural tourism and regional product development. Private farmers and commercial companies used these subsidies relatively more often (40% and 37%, respectively, of the public money spent vs. 22% for the co-operatives between 1999 and 2002). The state budget allocated to diversification activities was rather small, so the demand was larger than the budget. Most of the projects were focused on tourism and only few were willing to develop innovative regional products. Although the demand was bigger than the budget, the general interest to diversify was rather low. Another obstacle is the requirement that recipients co-finance the projects with their own money. From the data it appears that regions close to the capital city have more co-financing power than those in eastern and northern Slovakia, although the latter areas have more resources that are attractive for tourists.

4. A lack of (access to) capital/money is a general difficulty and hinders rural economic diversification outside the farm. Bureaucracy is a huge problem: there is money but getting access to it is difficult. There are too many authorities in the chain in between. Another problem is that rural people lack information and advice about getting loans. Besides, banks are not very willing to support starters and they do not like to issue small loans. On the other hand, rural entrepreneurs, especially women, are not ready to take big loans with high risks. Another inhibiting factor is the need to have a starting capital and to start paying a start-up loan back after just six months. People say this is impossible. The lack of finance for co-financing of EU projects is also problematic. Difficulties with mobilising personal financial resources may hamper access to structural funds.

5. A lack of leadership or weak leadership:

‘Leadership must be innovative and challenging. The future leader must co-operate with local level politicians and policymakers. A problem is that in most villages the (mostly female) mayors are not very educated. They don’t think globally. People often choose a low-educated person
because they prefer someone like themselves. They distrust people who are ‘different’; they presume those will not act on behalf of village people. Yet, educated people can find ways to develop initiatives provided they are committed to the village’. (H.K.)

6. Poor infrastructure (small roads, slow internet connection, etc.) keeps enterprises from opening a branch in the area.

7. A lack of support from politicians and policymakers at national level. They mainly pay lip service to rural development. Rural development policy is still in its infancy, in particular one that encourages participative and endogenous rural development. An attitude change is needed. Many administrators also act as if entrepreneurs are their personal enemies.

‘They consider them to be capitalists, people who are richer than they are. They are jealous; they envy successful entrepreneurs, so they are not very willing to help them.’

8. Corruption plays a role: part of the subsidies the region received as being a very poor region disappeared into the pockets of a certain group of people. So the region could not take advantage of it.

9. The integrated approach to rural development, which can encourage socio-economic diversification, is supported neither at national nor at regional level. Slovakia – as one of three EU countries – did not introduce the LEADER approach in this programming period (2000-2006). It thus lost the opportunity to test the integrated rural development instrument in order to be better prepared for the period 2007 – 2013, in which the instrument will become compulsory. Only recently was some effort shown via a World Bank project and through support of a LEADER type of approach in the Banska Bystrica region.

10. Weak administrative ability of the European Social Fund. Although present in rural areas, it cannot fully realise its function due to the very complicated administrative procedures which slow down the cash flow of projects.

11. Additionally, policies, institutions and attitudes of administrators are still sector oriented, which implies a lack of co-ordination of all the policies that impact rural areas. Politicians and policymakers furthermore still favour large-scale enterprises. In general, state legislation is not very supportive for SME development. Pioneers refer to the many and strict rules– ‘sometimes stricter than EU standards’– for instance related to the processing of agricultural products, and the many costly certificates needed to start up a business.

‘When you need 6 certificates, the costs are so high that you can’t make a profit. (…) Rules are inhibiting the development of SMEs. If you have 7 people for dinner at your home, no rule will stand in the way. But if you
have 7 people eating at your workplace, the rules treat it the same as if it were a large businesses. The institutional environment is very negative for SMEs (certificates, fees, benefits, taxes, etc.).’ (H.K.)

‘Bank policies are improving due to the security direct payments offer. When farmers apply for money from Structural Funds the banks give a loan promise. But the Slovak government creams off the top of the direct payments: in addition to the 19% tax, the state takes an extra 12.5% of the money we get from direct payments. Our government is getting rich from EU money meant for farmers. (..)’ (N.K.)

‘The Ministry of Agriculture is very ineffective and inflexible. The information from the government to the farmers is scarce and badly organised. They for instance announce new rules or opportunities at too short notice, with close deadlines, and the office clerks are incompetent. When you apply for funding you always have to wait very long before the Ministry takes a decision or lets you know what they have decided’. (J.T.)

According to Helena Kubaliakova state rules can be changed through bottom-up pressure, i.e. from mayors, councils, NGOs, the (regional) rural parliament, etc.

8. Strengths and Opportunities
As a counterbalance to this long list of weak points, it is good to recapitulate the strengths of Hrachovo and its surroundings, its population and the initiatives developed here.

- A natural resource basis with ample opportunities to re-vitalise the economic and social life in particular through development of a lively tourism branch. Organic agriculture offers chances as well.
- Relative cheap housing opportunities and relatively good services in the field of care, education and information.
- People with good leadership qualities and adequate networks.
- Good relationships, i.e. regular communication and consultation with local-level politicians and policymakers.
- A relatively active civil society.
- Structures of co-operation at micro-regional level between different stakeholders (civil society, politicians and policymakers, entrepreneurs).
- Increasing willingness of the population to participate in community development activities; they are becoming proud of their ‘village’ and the opportunities and chances included in its resources, including the human resources.
- The chances inherent in the new CAP (Common Agricultural Policy) as well as increasing political awareness of the importance of rural areas.
Introduction of the Axis 4 – LEADER approach into the main rural development programme. The EU obliges all member states to implement this Axis.

More emphasis in rural development policies on the social pillar of sustainable development instead of focussing only on economic and environmental issues.

As of 2007, it became possible to obtain LEADER financial assistance for the implementation of the existing socio-economic rural development strategy in the two micro-regions – Rimava-Rimavica and Teply Vrch.

A new programme on regional self-government in Banska Bystrica, which started to build integrated rural development capacities (of LEADER-type) in neighbouring territories of Rimava Rimavica. It will enable the creation of a comprehensive rural development strategy for a broader LEADER-type region with the mobilisation of more local resources.

The activities initiated by the women of Ozveny have made a difference for the population of Hrachovo and beyond. People have gradually become aware that locally available resources are of value, allow for diversification of the rural economy and can be a source for generating income. Aware of the merits of the activities developed by Ozveny, villagers have started to realise that they can initiate development themselves – that self-organisation and taking responsibility can be beneficial in material and social-cultural respects, not only at the personal level, but also at local and micro-regional levels. At the same time change needs time and many obstacles – economic, political, social and cultural – at different levels still have to be overcome. Co-operation with different stakeholders locally and beyond is recognised as a crucial element to gain progress.

### Annex

*Table 4. Data about Slovak agricultural structure; data from a sample surveyed in 2003*

<table>
<thead>
<tr>
<th>Organisational and legal form</th>
<th>Number of holdings surveyed</th>
<th>Size of the land farmed by holdings as a percentage of total agricultural land</th>
<th>Share of holdings in the sample* (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>By number</td>
</tr>
<tr>
<td>Farming co-operatives</td>
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<td>24.33</td>
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<td>Private farmers</td>
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<td>7.70</td>
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<tr>
<td>Total</td>
<td>2,531</td>
<td>87.43</td>
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</table>

* The data include companies that operate 85.5% of the total area of agricultural land. Source: Questionnaires CD MA SR, RIAFE. Prepared by RIAFE in Green Report 2004, p. 47.
Literature


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Slovakia – Rural Women in Southern Slovakia as Catalysts of Local Development


Chapter Five
Ireland - Grassroots Development, an Established Part of Irish Life: an Historical Background to Endogenous Development in Ireland

Paul Keating

1. Summary
Structured community and voluntary activity is something which has been part the Irish way of life for over 100 years. It has gone through several phases over that time and has contributed to and arisen from the economic, political, religious, and social sectors in both urban and rural areas. We experienced the emergence of the agricultural co-operative movement towards the end of the 19th Century, its proliferation to every corner of rural Ireland and the growth of co-operative initiatives dealing with everything from housing to handcrafts. The 1930s saw the establishment of “muintir na tire” which became, in its time, a radical movement for change in the conditions within rural communities. In the 1970s and 1980s a more politicised approach to community development saw a resurgence in the sector, predominantly from urban areas. The 1990s and the past decade has been characterised by the mainstreaming of community development initiatives through national and EU programmes.

There is currently a consensus that Ireland is experiencing a crisis in voluntary activity in endogenous development organisations. Studies conducted in 1991, 1998 and 2005 indicate a decline of 19% in active participation (from 38% - 33%) over those years. Estimates made in 2000 indicate that the Community and voluntary sector contributes 9.5% of nation GNP. However the contribution the sector makes to the development and identity of the country is far more significant than this figure would indicate.

In a recent speech our prime minister Bertie Aherne highlighted this point:

“A society like Ireland can only thrive when it has a healthy civil society built on active citizenship and people mobilising their energy and good will for the good of the community, country and world around them.”

2. Historical Context
In order to understand the evolution of endogenous development in Ireland it will be necessary to briefly review, the economic, cultural and political history of our small country.
Up until recently, agriculture has dominated our economy and we have little heavy extractive or manufacturing industry. Unemployment in Ireland ran at between 15 and 25%, we had the second lowest GDP in Europe after Portugal and our national debt ratio approached 1:1. Over the decade of the 1950s 400,000 people left Ireland as economic emigrants, (out of a total of 3.0 million this amounted to over 13% of the population). Up until the mid 1990s, when our economy began to experience unprecedented growth, by European standards, unemployment, poverty and emigration were endemic.

While there is a community of approximately 20,000 Irish Travellers (Gypsies) and a distinct minority Protestant culture in parts of Ireland, Ireland is relatively culturally homogenous. The Roman Catholic church played a central role in community life and its values and leadership was, and remains to a lesser extent, a powerful force at national and local level. The balance of population in Ireland has always been rural, rural identity and traditions dominate and are still very strong even within urban settlements. The rural tradition has been predominantly one of “peasant farmer” and while there is a very strong aspiration toward the middle class the emergence of the middle class in Ireland is again a recent phenomenon.

It is also important to understand several political factors when reviewing the emergence of the community sector in Ireland. As a country which achieved political independence from Great Britain 84 years ago, there remains a number of significant legacies of the period of colonialism which have an impact on the structure of community development.

♦ Firstly the lowest level of local government in Ireland is at county level. This means that while most people identify their community as their parish (roughly 1000 people) local government operates at the level of 70,000-150,000 people. This creates a “democratic deficit” which the community sector has filled.
♦ Secondly there is generally scepticism towards the motives and capacity of local politicians to deliver local development. This has arisen because of an historic indifference towards the colonial establishment which then developed into cynicism towards the perceived clientelism and corruption of local politics after independence.
♦ In Ireland we have never had the politics of Left and Right in the way there is in much of Europe and the UK. Traditionally in rural areas you vote according to the side your family took in the civil war of 1922-3. This war was not fundamentally ideological in nature but was about the approach to take in securing independence from Britain. The legacy of this was that politics did not polarise communities strictly along class lines and when community development initiatives emerged both political persuasions participated in common cause. Furthermore as a strongly Catholic country Left-leaning or liberal tendencies were more likely to lead one into community work than into the political left, especially in rural areas.

Ireland for the majority of the 20th century was a rural subsistence economy, culturally homogenous, with limiting political structures at community level and suffering under the weight of poverty and emigration.
3. The Emergence of Endogenous Development up to 1990

3.1 The Cooperatives

Perhaps the first and most influential endogenous development initiative in recent history in Ireland was the Dairy Co-operative movement founded in 1894. By 1920 there were over 1100 local co-operatives or “Creameries” nationally. As in other countries, cooperatives emerged when producers organised to defend their interests in markets which did not meet their needs. Locally elected members managed the enterprise and shared the dividends. The Co-op provided credit, agricultural supplies, sometimes a domestic retail outlet and in many cases branched into cottage industries targeting women on the farm, eggs, butter, etc. In most rural communities the creamery was the hub of social and economic activity. This remained the case until the mid 1970s when market forces led to the decline in the agricultural sector which lead to closures and amalgamations. Currently, there are 150 agricultural cooperative societies with 32,000 employees and substantial turnovers.

Inspired by this success smaller-scale developments of cooperatives in fishing communities, forestry, tourism and housing followed. The model of co-operatives expanded and similar principles were used to establish credit unions and village water schemes. One of the principle legacies arising from the co-operative was in raising awareness and the skills within the community with regard to the governance of development organisations.

3.2 “Muintir na Tire” An Endogenous Community Development Movement

Many would say that the first identifiable community development movement in rural Ireland started in the small town of Bansha near my own home in County Tipperary in 1931. This parish based, integrated, community owned, initiative was so successful in bringing enterprise and social development to its region that within a couple of years there emerged a national Rural Development movement called “Muintir na Tire” or “People of the land”.

Muintir na Tire established itself throughout Ireland, setting up parish Guilds and later democratically elected Community Councils. It was a pioneer in introducing and advancing Community Development in Ireland and it encouraged each parish community to take control of its own destiny. Muintir became the voice of the communities of Ireland, providing them with a power-base and the means of obtaining essential infrastructural facilities leading to an improved quality of life for all.
A statement from the Muintir na Tire handbook from 1946 went some way to highlight its vision for the organisation when it asked the question. How can people escape the ..‘oppression’.. of centralised control on one hand and unrestricted individualism on the other? The solution it proposed lay in “the development of social and economic democracy i.e. that people themselves can be in control of the conditions of their own lives”.

By the 1970s the movement had declined, in no small way due to its own success in bringing confidence and prosperity to rural communities, the principle was well established that if rural areas want things of significance done then they must do them themselves.

3.3 Sporting, Cultural and Church Based Organisations

Other than the church, the most defining institution in rural parishes is their local GAA (Irish Sports Association) club. In parallel with the emergence of the co-operative movement there was a very strong groundswell of support for cultural organisations. Sports, Language, Social and personal development associations for women and youth flourished in the period 1900–1970. This could be related to the need on the part of a newly independent state to develop and demonstrate its identity. Again these organisations engendered a culture of voluntary and communal activity.

The Roman Catholic Church also established a number of charitable associations which drew donations and voluntary work from parishioners. Considering that church attendance among rural Catholics exceeded 90% such organisations penetrated most households.

3.4 Urban Community Development

The community development sector emerged as a significant movement from urban areas in Ireland in the 1980s. Groups and individuals with a strong focus on social justice began to respond to chronic unemployment, drug abuse, racism and poverty in working class areas of the main cities. The key individuals and the organisations which they lead were informed by radical socialist politics, liberation theology, feminism and other transformative orientated ideologies for social change. The concentration of deprivation in many urban areas meant that there was considerable popular support for action. “Concerned Families Against Drugs” marched on the drug dealers homes, Travellers Solidarity groups brought civil rights actions against the government, Women’s groups protested for facilities within urban communities. By the end of the 1990s there was a well organised, radicalised and popular urban endogenous community development movement.

4. Development in Ireland in the 1990s (the Era of Partnership)

The decade of the 1990s saw phenomenal change in Ireland. In the previous section I have given a sense of the ongoing and growing demands for action from civil society regarding the conditions at community level both in rural and urban areas. This possibility of an economic, social and political crisis was well recognised. Prompted by this a consensus emerged that a new approach to addressing social and economic
problems was needed. This gave rise to the concept of social partnership. Effectively the government created a national forum of endogenous community groups (community voluntary pillar), the private business sector, the representatives of workers and farmers, the state sector and political parties. A national agreement was put in place, workers got pay raises, business got industrial stability and the community sector got funding and recognition. In parallel to this several EU schemes were put in place to develop the community sector. The 1990 in Ireland became the era of partnerships.

4.1 Rural Development Partnerships (County Level)

“Pilot Area for Integrated Rural Development” which was established in 1988, was succeeded by the LEADER programme in 1990. This initially covered about half of the national area and brought together endogenous community groups, private sector and the state in a well structured and funded umbrella organisation at regional (county) level. The LEADER model has expanded and developed to the extent that it currently covers the entire country (outside the 5 cities) and manages a range of national and international initiatives employing over 3000 people. The boards of each of the 35 LEADER “companies” is made up of representatives from the community business and state sectors. The operated at county scale eventhough many did not follow the legal county boundaries. It is not unreasonable to assert that the ethos of the LEADER companies arises from the legacy of the co-operative movement and Munitir-na-Tire. It reflects an ethos of development as growth and service provision.

4.2 Enterprise Partnerships (County Level)

County Enterprise Boards CEBs were established in 1993 as a support service for local enterprises and specifically for micro enterprises (up to 10 employees). The 35 Boards (cities and some other administrative units have separate Boards from the 29 counties) also act as a referral point whereby applications for funding and advice are redirected to other agencies, where necessary. CEBs and LEADER groups have formalised agreements in regard to avoiding any overlap of services to local enterprise. The Boards of CEBs have 12 to 14 members each, drawn from elected members of the local authority, trade unions, employers, state agencies – as well as from community groups.

4.3 Social Inclusion Partnerships (County Level)

Local Development and Social Inclusion Partnerships (LDSIP) were established in the most disadvantaged urban and rural areas. Dominated by the urban partnerships they targeted their resources at the most disadvantaged in their communities. The focus of these organisations was social inclusion, building on the community development movements which had emerged in the cities in the 1980s.

4.4 Local Government Partnerships (County Level)

During the late 1990s there was a degree of concern at the central government level to improve systems of local governance and, in particular, to achieve a better integration of local government and local development. A task force identified the need for local authorities, state agencies and local development interests to work more in unison
than in parallel. The Local Government Act of 2001 provided for the establishment of ‘Development Boards’ in each local authority area (the 34 cities and counties). Each Board was charged with preparing an integrated strategy for its area, encompassing economic, social and cultural development over the period 2002 to 2012. These CDBs are again made up of elected representatives, community representation through a community forum and private sector interests. Furthermore the Local Authorities invited community representatives to participate in their internal policy development committees.

4.5 Local Partnership Schemes (local level)
In addition to the various partnerships community groups could access support through a range of local schemes. The national vocational training authority (FAS) had community employment, social economy and community enterprise. The Department of Social welfare had the Family resource centres in small rural towns, and the Community Development programme in large working class estates. All of these initiatives, while funded by government were managed by local community groups.

5. The Mainstreaming of Endogenous Development
The acceptance by national and local government of the role of endogenous development organisations in policy development and service delivery has proved positive and a negative achievement. Most organisations are not are linked through the various partnership fora to the state and private sectors in order to pursue common goals. This development has meant a need to negotiate priorities and to compromise on objectives in order to agree shared programmes for action. Such agreement has become a prerequisite for programme funding from central government. Many endogenous organisations are reacting against this situation in that they find themselves being used as an instrument to deliver services many feel are the responsibility of government. Similar can be said of those who pursue EU funding. The agenda being pursued is most often defined by the guidelines of the particular programme, be that LEADER or others. The pursuit of funds and organisational security/growth is often at the expense of autonomy. The term “governmentality” has been used to describe the recruitment of the community and voluntary sector to become a compliant instrument by which government policy is implemented. This “rush to be compliant” probably relates to the frustration felt for years trying to get a seat at the table and working on minimum funds. In our eagerness to take the seat when offered perhaps we overlooked the fact that other interests were setting the agenda.

It is only the very mature, confident and skilled organisations who define their own objectives and then identify funding opportunities to achieve these, rejecting the prospect of funds to undertake work which is not part of their own strategic plan.

5.1 The Life Cycle of Endogenous Development in Ireland
Reviewing the emergence and the decline of previous community initiatives in Ireland it is worth noting a common pattern or lifecycle.
1. The initiative emerges from a profound and clearly understood shared need, (chronic unemployment and emigration, lack of access to markets, credit or water, neglect of older rural dwellers).

2. An inability or unwillingness on the part of national or local government to address the issue, thus creating a vacuum.

3. There is generally very strong and committed leadership, traditionally in Ireland on the part of the priest, schoolteacher, the doctor or the police man (Garda). Indeed in the absence of a formal village based political structure, people with leadership ability or ambition become involved in development associations. In the case of urban community development the Leadership generally came from individuals informed by transformative ideologies.

4. Once a number of successes are achieved and a model developed it is spread across regions where the problem is shared and a network established, often under the patronage of one of the four institutions above and often presented as a continuation of an historic national or ideological struggle for self determination.

5. A process of evolutionary mainstreaming follows, it becomes politically expedient for the government to support the initiatives, the core need is addressed or changes and the individuals whose original energy drove the initiative move on. While initially the concept would have been seen a being radical by the community the time comes when the existence of a group water scheme, credit union, community crèche or LEADER company is taken for granted, and the organisation is either “sub contracted” by government to deliver the particular service, it declines , or it moves on to another issue.

6. In Conclusion

It would appear from the Irish experience that endogenous development emerges within a national and a local context. This context relates to social and economic factors as well as systems of governance. The mobilisation of endogenous development also needs a number of less tangible ingredients for it to grow, proactive leadership, values driven organisations and networking capacity. Many of these assets are currently labelled as social capital, however the distinction needs to be made between the store of “social capital” motivated around service provision and that with a stronger social justice objective. There is a danger in engaging in partnership that the effort of community groups will be usurped by the state institutions as a means for delivering services which local or national government should itself be providing. As is the likelihood of them becoming a victim of their own success in addressing the problems which lead to its emergence in the first place.

Undoubtedly the Irish experience shows the power of endogenous development organisations in forcing the government to engage in partnership. It also shows the value in providing medium term programme funding across a range of sectors.
The practical challenges we face in Ireland relate to the conflict between volunteerism and professionalism, local control and regionalisation, funding driven initiatives and needs driven initiatives and the need for meaningful co-ordination of effort between endogenous organisations. On a more ideological level we face a real challenge in maintaining a radical endogenous development movement in a society which is becoming increasingly insular and materialistic. The next wave of radical endogenous development in Ireland will need to address the rebuilding of community identity and social cohesion, this may prove to be the biggest challenge yet as time is eroding the basis upon which such a movement will be built.
Chapter Six
New Co-operative Structures as a Resource for Successful Endogenous Rural Development

Sabine de Rooij

This book draws on four case studies on endogenous rural development in different parts of Europe. The cases in chapters 2, 3 and 4 describe environmental co-operatives run by Dutch farmers, a production and marketing association of Italian mountain farmers, and a micro-regional network for economic diversification and improving livelihoods in a marginal rural area in Slovakia. The latter initiative was launched and is largely borne by rural women. Though the contexts vary considerably, the cases share some remarkable features:

♦ The pioneers of the initiatives are driven by similar motivations, values and beliefs. They share the wish to create rural sustainability which constitutes a central component of their worldviews. As such, they are also responding to broader societal needs and priorities such as sustainable resource management, the protection of biodiversity, valuable landscapes and cultural heritage, and the production of safe, high-quality food.

♦ They are convinced that local resources offer a rich and valuable foundation upon which to base the development of sustainable rural communities. They consider the decreased dependence on external resources and the ensuing greater opportunity for their own control of the resources involved as important advantages of this strategy.

♦ They take a territorial and integrated approach to rural issues.

♦ The initiatives are expressions of resistance against top-down, generic policies that ignore context-specific circumstances and locally created solutions and strategies.

♦ They represent new forms of governance structures to deal with rural issues. New co-operative structures encompass autonomous networks and alliances with other stakeholders or interest groups in the area.

♦ Also characteristic of the initiatives is their use of different forms of knowledge (practical or experiential, multidisciplinary, scientific) and the continual exchange and dissemination of knowledge and experiences within the networks. The co-operatives can thus be described as learning organisations.

42 The case studies were conducted in 2004 and 2005 (see De Rooij. S. 2004, 2005, 2005). This text has been written in the same period.

43 Learning organisations are skilled in five main activities: experimentation; learning from past experience; learning from others; transferring knowledge and systematic problem solving (Garvin 1993). An organisational culture positive to learning and change is a precondition for developing a learning organisation (O’Keeffe and Harrington 2001).
The initiatives were launched by people with leadership qualities and a relevant network.

The pioneers’ motivations for taking the lead and responsibility are diverse. Their inspiration comes from a variety of sources which often represent different spiritualities. These include a passion for nature (plants, animals), feelings of connectedness to a rural lifestyle, the deep satisfaction which arises from exercising one’s profession or using one’s talents (e.g. the art of farming, self-realisation) or the challenge of fulfilling a dream. Social commitment, i.e. the wish to care for discriminated or vulnerable categories of people, may be a driving force as well. Clearly, economic motives also play a role, although creating personal wealth is not the pioneers’ aim. Their goal is a decent income for themselves and for as many farming or rural families as possible in the short and the long run.

Generally shared goals or missions are to achieve multidimensional (i.e. ecological, social, and economic) sustainability though different priorities are set. Ecological sustainability refers to improving environmental quality and the natural resource base, efficient use of non-renewable natural resources and may include ecological farming, nature conservation and production, landscape management, local resource use, alternative energy production, waste and/or water resource management, or local marketing. Social sustainability includes improving the quality of rural life, work and social relationships. Economic sustainability refers to sufficient rural employment and income opportunities, decent incomes, and prospects for continuity of farming and employment.

1. Delineation of the Innovative Experiences

a) Environmental co-operatives are relatively new institutions within the agricultural professional world (see Marsden et al., 2001; van der Ploeg et al., 2002; NJAS 51, 2003; Stuiver and Wiskerke, 2004). They represent new forms of co-operation between farmers in a specific locality that are aimed at ensuring the continuity of farming. The effects of this co-operation seem more powerful than new strategies adopted by single farming families. Co-operation builds on shared motives, values, beliefs, a feeling of belonging and local traditions; and at the same time it strengthens this basis. The environmental co-operatives’ approach to integrating societal needs related to the environment, nature and landscapes into farming practice takes as its point of departure local conditions and an understanding of the complex relations between the different components. Collective accountability for the fulfilment of shared targets is a core characteristic.

The origin of the environmental co-operatives can be traced to the generic approach adopted by the Dutch government to cope with the negative effects of modern farming methods on the environment, nature and landscapes. This approach ignored specific local conditions and the farming families involved considered it to be a real threat to the continuation of their farms and their communities. Environmental co-operatives, then, are the self-organised and common effort of local people to develop their own answers to these problems. The use of potentials found within the region is crucial in the approach. ‘Identify the resources you already possess and start strengthening these’ is their motto.
The first case described in this book highlights two vanguard environmental co-operatives VEL and VANLA44 in the Friesian woodlands in the north of the Netherlands. They were established in the early nineties and their membership represents about 80 to 90% of the farming families in the area. This indicates that almost all farmers, irrespective of farm size, gender and generation, are convinced of the advantages of membership. The central activities of the VEL/VANLA environmental co-operatives follow two tracks: a ‘nature and landscape’ and a ‘mineral’ track. Together these constitute an alternative to government policies for fighting acidification caused by modern farming practices.

Briefly, the first track consists of farmer-managed restoration and improvement of the unique and historically valuable landscape and the biodiversity in the region. This partly coincides with an area-based landscape plan that covers about 12,000 hectares. This plan was developed in co-operation with four more recently established environmental co-operatives in the region. The second track refers to a farm management system known as the ‘cycle system’ and concerns improvement of nitrogen efficiency in plant, soil and livestock cycles. The aim of this farm management system is to solve environmental problems (ground water pollution, acid rain) that have arisen as a result of previous high amounts of fertiliser, cattle slurry manure and the ammonia deposition from livestock accommodation, while simultaneously raising farmers’ incomes (by decreasing costs and increasing profits). The system is based on improving the efficiency of the separate elements of the production cycle, i.e. soil, plant, animal and manure cycles as well as their interrelations (Reijs et al., 2004)45. Although the activities related to the two tracks are intertwined at co-operative level, members can opt to participate in just one of the activities.

A number of achievements have been realised at different levels: besides environmental improvement, upgrading of the historical landscape and biodiversity, the farmers involved have benefited financially. Provisional analysis of research data shows that involvement in both ‘tracks’ pays off. Farmers engaged in the two programmes obtain better financial results than farmers participating only partially or not at all. Time also plays a role: the longer farmers take part in the programmes, the higher their incomes. The extra gains may be as high as 4.5 euro cents per litre of milk. With an average milk quota of almost 400,000 litres, this means an extra income of 18,000 euros per farm. This does not include extra costs, so the actual extra profit will be a little lower (Van der Ploeg et al., 2003). Moreover, the environmental co-operatives have generated paid work for local women. Part of this work is to ensure that farmers comply with the requirements of the landscape management programmes in which they participate. They also perform administrative work generated as a result of applying for subsidies. Another achievement of the environmental co-operatives is strengthening of social cohesion within the farming community in the area.

44 VEL (Vereniging Eastermar’s Lânsdouwe) and VANLA (Vereniging Agrarisch Natuur- en Landschapsbeheer Achtkarspelen).
45 See section 4.7
Core characteristics of environmental co-operatives are self-organisation\textsuperscript{46}, self-regulation and pro-activity (Wiskerke et al., 2003; Stuiver and Wiskerke, 2004). Instead of passively waiting for ever-more new and sometimes conflicting rules and regulations, they take the lead in solving regional-level problems. This means that they develop their own structures, rules and strategies to achieve a way of farming that is more sustainable than the conventional one. Internal control mechanisms are set up to ensure that implementation and progress of the activities are well monitored and evaluated. The essential pre-conditions for searching for and applying region-specific tailor-made solutions were established by negotiating ministerial approval for an experimental status. Until recently, this ‘governance experiment’, in which the environmental co-operatives determine the rules for achieving the targets set by the government for environmental, nature and landscape conservation, was possible because it was regarded as scientific research (Stuiver and Wiskerke, 2004).

Membership of the VEL and VANLA co-operatives has a number of benefits. As a legal entity, the co-operatives act on behalf of their members towards governments and other stakeholders and are accountable for the results. They further mediate between the farmers and other landowners on the one hand and the relevant government agencies on the other. The benefits include an optimal use of government programmes for agriculture and rural areas. For governments on the other hand, environmental co-operatives are a clear contact and imply a reduction of both administration costs and the time needed to check the fulfilment of agreements.

Wiskerke et al. (2003) observe that the characteristics of self-organisation and self-regulation make environmental co-operatives an expression of a new mode of rural governance. They represent a ‘new contract between local, regional and national authorities and farmers’ Their location within a broad network and the formation of strategic alliances (e.g. with environmental or consumer organisations, scientific researchers, policymakers and politicians) mean that environmental co-operatives have the potential to exert considerable political influence at local, regional and national level. This potential can, however, only be deployed by having change agents at all levels. This environmental co-operative initiative has only become viable as a result of the stakeholders’ participation, input and influence.

Farming families involved in the environmental co-operatives need to have a lot of motivation, energy, endurance and mutual trust, and to show solidarity. Opposition and resistance from different sides regularly block or inhibit activities. A main obstacle is the central government bureaucracy, including officials who consider deviation from generic rules as very problematic. Opposition also comes from within, i.e. the professional agricultural world itself, and has its origins in vested interests and in ideological conflicts about the future of farming.

It is important to note that the two co-operatives presented here symbolise a turning point in Dutch rural history: since their establishment in 1992, a few hundred similar rural co-operatives have been started by farmers and other rural inhabitants in the Netherlands. Some years ago VEL and VANLA merged with other regional environmental co-operatives into one larger environmental co-operative, the

\footnote{\textsuperscript{46} According to Ostrom (1990) self-organisation refers ‘to bottom-up governance of local civil society beyond the market and short of the state, making use of associations, informal understandings, negotiations, regulations, trust relations and informal social control rather than official coercion’ (in Wiskerke et al. 2003, p.12).}
b) **Multifunctional farming and the establishment of independent farmer-governed promotion and marketing networks** are key elements in the strategy to re-vitalise an area in Italy threatened by ecological decay, fading regional economic activity and de-population. Abruzzo is a mountainous region of high natural value, a large part of which is a protected nature area. Traditionally, sheep and goat breeding were the main economic activities here. Globalisation of wool production and Italian agricultural policies promoting modernisation of agriculture put an end to this. The arrival of a few young sheep farmers precipitated a turning point and brought new prospects to the region. They re-introduced multifunctional farming (or ‘economy of scope’) and set a new trend in the region by instigating co-operation between farmers. Initially this partnership consisted of common marketing and distribution of their products, starting with various types of cheese. Gradually, it evolved into an inter-regional network of mainly organic farmers (ATER) producing a variety of high-quality region-specific products who work together to promote and market their products in different ‘niche’ markets. The network operates independently from the mainstream infrastructure and trade relations. Farmers govern the network. To overcome institutional obstacles that hinder the application of their ideas, they have organised themselves politically (APRO). Alliance building is another strategy to accomplish this (see Milone, 2004 for a detailed study).

In the view of the pioneering farmers, multifunctional farming is the starting point for achieving multidimensional sustainability (e.g. Knickel and Renting, 2000; Arzeni et al., 2001; van der Ploeg et al., 2002; Belletti et al., 2003). It implies that farming is not limited to agricultural production, but also fulfils broader societal needs such as environmental protection and nature preservation, provision of services (e.g. agro-tourism, education, and care activities) and safeguarding of rural traditions. Crucial elements in the strategy that the sheep farmers followed include reconnection with resources in their own environment; multiple use of these, and diversification of products and services in combination with high-quality production. Organic production forms the foundation for this quality. Another characteristic feature is long production chains within the farm. Paid work outside the farm is a complementary building block (Milone, 2004). In their farming practice, the pioneers translate multifunctional farming into many different activities and services, including home-processed ecological and other specific products (e.g. different types of cheese, meat and woollen products), agro-tourism activities (restaurant, shop and accommodation), education and creative activities. Valuable resources include the mountain pastures and the herd of a traditional breed of sheep that maintains and reproduces these pastures. Nature, landscape and local cultural traditions are also important resources with respect to tourism. The same is true for local real estate (empty farm buildings and village properties) and human resources (e.g. good entrepreneurship, mobile, flexible and skilled labour power, traditional local knowledge about pasturing and cheese making, local food habits and cooking traditions).

Equally important in the multifunctional farming approach is the development of new relationships between farmers themselves and between farmers, their institutional environment and consumers. The use of modern communication and
information technology is a powerful tool for linking the different groups, for exchanging and disseminating knowledge and experiences and for marketing products and services (http://www.laportadeiparchi.it).

Achievements are various, located at different levels and multidimensional. First, farmers who follow this pathway (‘economies of scope’) and comply with the rules set by the network appear to generate higher incomes than farmers following the mainstream development model of scale-enlargement, specialisation and intensification (‘economies of scale’) (ibid.). Second, beyond farm level, the pioneers’ strategy of sustainable local resource use also bears fruit. In the past years it has become clear that extensive sheep grazing in the Abruzzo mountains maintains the productive potential and the ecological values of the endangered pastures. It appears also to be a key tool in protecting the geophysical balance and in preventing both erosion and the spreading of forest fires. Scientific research data underpin these achievements. The ‘art’ of mountainous farming, commonly carried out by knowledgeable farmers and shepherds, thus translates into a strong regional resource. Third, the strategy of multifunctional farming simultaneously benefits the local economy. Involved farming families now earn a higher income and can think again of farm enterprise continuity. At the same time the broadening of farm activities has created new employment for the local population. Local women work for instance in the farm shops, or as designers of woollen products. They consider this a step forward in work quality as this work is physically less exhaustive than working in the fields or in the mountains. People outside the villages also benefit as they can find work as wool processors, shepherds or producers of special products. Additional gains include the strengthening of regional identity and creation of a livelier village life. Many tourists have returned to the region and traditional local events and fairs attract many visitors. A great merit is also that young people are no longer automatically turning their backs to the countryside. A growing number is returning because farming has once again become a profitable and attractive activity. They are especially attracted by the financial success and social status of producers of region-specific, high-quality foods and the new social identity linked to participation in the network.

The different forms of co-operation appear to create new sources of economic benefits, of increased societal respect and political influence. This in turn adds to feelings of self-esteem. Co-operation further stimulates creativity, the generation of new knowledge and innovation. An example is the mobile cheese-making unit, a product of co-operation between pioneers and the regional extension service. Thanks to this invention, European regulations that threatened to block mountainous cheese making could be bypassed. Co-operation with various scientific researchers was very fruitful as well. The generated data scientifically underpin the sustainability of the farmers’ production methods and approach. At specific moments this information was crucial in negotiating limits to legal restrictions that would have threatened the continuity of the farmers’ production and in obtaining the necessary support of influential policymakers and other involved stakeholders.

c) An example of endogenous rural development initiated outside agriculture concerns a rural network of different stakeholders in a less-favoured rural area in southern Slovakia. The network originated in a rural women’s grassroots initiative to provide social services to the local community while simultaneously creating
employment for women and decreasing women’s workload in the household. The original idea for a food service was launched by a local leader, who was also the motor behind its realisation. Her strong and extensive network (built up over the course of the project) was of great value. The idea of improving the level of social services in the village emerged within the context of a rural society facing the effects of radical political and economic reform. It was the first local initiative set up to alter the difficult living conditions resulting from closure of the local agricultural co-operative, which had until that time (1998) been the biggest employer and social service provider in the village. Household plot production, ‘black’ work and social payments became essential aspects of the new survival strategy, while service provision became part of women’s household task package. Most people acquiesced to the new situation for individual initiative had been discouraged for a long time in the country and many still strongly believed their problems could only be solved through the ‘old’ (socialist) approaches to resource use and unemployment. This would require investments in large infra-structural projects (electricity, sewage, road construction works, etc.) and the establishment of big industrial plants. However, the pioneering women believed that such a strategy was full of risk, costly and not very sustainable. It would make rural areas dependent on the policies of investors and companies acting at global level. They therefore opted for another (in their eyes more ‘female’) approach to rural development. It entails locally initiated and implemented small-scale entrepreneurial activities rooted in local resources. Their major concern was not to make a profit but to create durable local employment opportunities, increase rural vitality and halt rural de-population.

The initiative was also without equal because the women’s first project involved a social rather than an economic activity. It entailed a food service for elderly people which, after some time, became very successful. The women expanded their services step by step to include general home care, provision of ICT facilities (at that time the first internet connection in the region), education, training and accommodation. They also became engaged in village renovation activities and supported local entrepreneurs in setting up and managing their businesses. Creating the right conditions for economic diversification in the region is a more recent plan. Considering the available resources (e.g. vicinity of ski resorts, rich nature, beautiful landscape, hot water springs, forests, cultural heritage, unused public buildings or uninhabited houses), building up a flourishing rural tourism branch (rural and agro-tourism) is believed to be a feasible goal as well as a challenge. In view of this potential, safeguarding the regional ecology, which had previously not been recognised as having added value, has become a new priority. The best options for achieving the other priorities of regional economic renewal and social and ecological sustainability appear to be ecological farming and farm diversification, wood processing and crafts, and improvement of education (Trvdoňová, 2003).

The pioneer women established the first NGO in the region, called ‘Ozveny’, as the formal organisational framework for their activities. This provided access to financial resources and other support (from the government, donor organisations and private funds) and facilitated co-operation and the building of networks. Ozveny’s strategy is to assess opportunities for alternative income sources and employment; attune small-scale projects to local needs; exploit at local resources; focus on self-employment and small and medium enterprise development; provide easily accessible
information, education and skills training; create mutually beneficial partnerships with other stakeholders; advocate its mission and build effective networks so as to gain the necessary external support. Ozveny takes a regional and integrated approach to rural development. Social cohesion, which seems to be eroding more and more, is believed to be a pre-condition for success.

So far, the launched activities have improved the service level in the village and have created paid work, particularly for women. Moreover, they have reduced women’s domestic workload. The education and training possibilities have further increased local villagers’ opportunities to become employed (or self-employed) and to increase their incomes. 5, more than one hundred people from the micro-region (a cluster of 12 villages) had participated in one of the courses, and access to the internet has ‘opened the window to the rest of the world’. Moreover, the pioneering women have inspired leaders in surrounding villages to set up similar local level initiatives (up-scaling).

Of major importance for regional development perspectives is a new micro-regional association through which pioneers in the various villages now co-operate. The women behind Ozveny, and in particular their leader, have been the driving force behind the establishment of this new organisational framework. Members of the association have jointly designed a regional plan for tourist development, and successful implementation will require continued consultation and co-ordination. Lobbying and advocacy for their plans are now also shared activities, achieved in part through participation of some members in the National and Regional Rural Parliament.

Clearly, the micro-regional network is important for the exchange and dissemination of knowledge and experiences. The intention is to become an EU LEADER – area in the future. To realise this goal, the association started to co-operate with two other neighbouring micro-regions. More important even than the described ‘overflow’ into a widening range of new activities is that these initiatives (as ‘modest’ as they might appear at first sight) have contributed significantly to the creation and further enlargement of social capital (see for example Mihaylova, 2004; Shucksmith 2000). This can be noticed in many ways and at many levels. According to the involved actors, Ozveny-initiated activities clearly triggered a change in attitudes. Family ties are for instance no longer the only basis for co-operation. Nevertheless, the culture of distrust and disrespect towards ‘others’ and ‘pioneering voices’ is still considerable and constitutes an obstacle for change. Most people for instance still hesitate to vote for local leaders who have innovative ideas. Gradually, underlying belief systems seem to be changing, but quite slowly. Examples of such change reported by those involved are the widespread recognition of the significance of social projects implemented by Ozveny; the mobilisation of local business people, who now participate in and recognise the importance of social activities; the growing awareness that the service sector can generate income; increasing recognition of the potential of locally available resources; and the breaking down of the dominant way of thinking that only large-scale economic projects can offer perspective in rural areas. In fact, Ozveny’s projects appear to be breaking through the apathy and passiveness which have dominated many people’s lives since the changeover. Many people now understand that private initiative can pay off.

47 This has now become a reality: the group is now one of the 29 Local Action Groups in Slovakia.
2. Belief Systems

The three initiatives briefly described above are all based on the following beliefs.

1. Sustainability – in terms of ecology, economy and social relations – is the key to mankind’s long-term survival. The first prerequisite for sustainability is a harmonious relationship between man and nature. This requires stewardship, which refers to a relationship in which people respect nature and its values and aim at preserving these for future generations. The fulfilment of human needs must have a minimal effect on ecological values. In this vision human beings are considered to be part of nature, rather than above or separate from it. All three cases involve new production methods and techniques that allow for long-term rural economic activity. These methods and techniques may coincide with increased small-scale employment opportunities, which in turn can stimulate economic development and prosperity. One of the prerequisites is a strong society in which people have close relationships and collaborate. This collaboration must be facilitated by committed organisations that are responsive and inclusive, and that are led by inspiring and strong leaders and managers who have the ability to recognise and grasp opportunities and to provide relevant benefits and services. Sustainable organisations are also learning organisations: they are capable of learning and adapting to changes in the market, politics and policies, technology and knowledge. Successful co-operation and partnerships are based on well-balanced relationships grounded in mutual trust, respect and solidarity. Gender equality (and in the Slovakian case also ethnic equality) is a value that is explicitly or implicitly relevant in each case.

2. Systems that attempt to control and command nature (exploitation, exhaustion, technology dependence) and people should be rejected. Top-down structures, generic rules and regulations need to be replaced with principles such as autonomy, ownership, self-control and accountability. People must have the chance to make their own choices, to take responsibility. This implies a redistribution of power in society.

3. Co-operation is important, and it is built in part on mutual respect, reliability, unity and solidarity. What connects people is a feeling of belonging to the same community – the feeling that they have to deal with the same problems and that they are part of a common effort to achieve change and to improve their situation. Co-operation may take place between farmers or entrepreneurs in the same sector, between different stakeholders in a certain region (farmers, entrepreneurs, NGOs, policymakers and politicians) or at different levels of society (local, regional, national, international). Co-operation also plays a significant role in the field of knowledge generation. Involved farmers and civil society work together with supportive researchers, advisors, experts, trainers and teachers. This type of co-operation may include people of different classes, generations, genders, ethnic groups or geographical areas. Co-operation is facilitated through networking, lobbying and advocacy.
4. Farmers and other rural people need to be responsive to the needs of the urban population. This implies a) that food production methods must be attuned to new consumer demands regarding environmental protection, animal welfare, human health and nutrition; and b) that rural areas are no longer seen as only agricultural production zones, nor as the exclusive domain of farmers. The pioneers perceive rural areas as sites that contain valuable ecological, economic, cultural and social capital. These resources provide the farming and non-farming population with many new job and income opportunities.

5. Farming is no longer just the production of food and raw materials. In the new multifunctional farming approach, farming also entails maintenance of biodiversity and landscapes, water management, energy production, facilitation of agro-tourism, supply of care services, marketing and distribution of local products.

6. Rural development and the creation of associated policies must be primarily a bottom-up and participative process. Real progress does not come from the outside world, though external actors must support it. Individual initiative, risk taking and accountability for one’s own actions are associated values.

7. New institutional rules need to be created.

8. Self-supportiveness, self-sufficiency and self-reliance are important values.

3. Motivation and Personal Attributes
The pioneers are all passionate individuals, who are very determined to make their dreams come true. They are motivated by various values, such as:

♦ a sense of purpose
♦ a passion for nature
♦ attachment to and love for rural life or a rural lifestyle: living in a small social community, in a peaceful and clean environment close to nature (most pioneers have rural roots)
♦ social commitment to the many (long-term) rural unemployed, concern about their poor living conditions, growing disparities between different categories of people (class, generation, gender, ethnicity, rural/urban) and/or a deteriorating social climate in the villages
♦ a desire for autonomy and self-determination
♦ a desire for self-realisation

Additionally, the pioneers seem to share some personal attributes and qualifications:

♦ A shared dream or strong desire to accomplish an ideal or a set goal.
♦ A pioneering spirit: the pioneers strongly believe in the feasibility of their ideas despite scepticism and pessimistic forecasts. The plans and involved strategies go against mainstream views, policies and institutions. Pioneering activities can
be characterised as a continuous search for new products, services, methods of production, processing, marketing and distribution. The pioneers’ strength is that they continuously search for new supporting structures, i.e. new institutions and policies.

- Self-esteem and agency (the capacity to achieve the goals), creativity and an intuition for recognising available regional potential in terms of economy, ecology, and liveability. Pioneers have the capacity to recognise and valorise locally available resources as well as to mobilise and acquire external resources. They are also capable of defining their own place in the context in which they are operating and to analyse this context.

- Excellent networking skills and good leadership qualities. They are able to mobilise other people to join or support their initiatives and to design smart strategies. Pioneers are open to other people’s experiences and social circles, willing to continuously gather new knowledge and skills, and experienced in tracing and combining valuable and relevant information. Flexibility and the ability to adjust strategies or agendas when necessary are additional capabilities.

4. Weaknesses and Obstacles for Further Development and Change

Although the grassroots initiatives briefly described above differ in many respects, such as locality, historical background, economic situation and cultural setting, they have been confronted with similar challenges that thwart or inhibit the full development of their plans. Obstacles and weaknesses can be of an economic, political, social and/or cultural nature, and can be located at macro, meso or micro level. The macro level refers to the administrative and legal system, politics and the political environment; micro refers to the individual and grassroots level; and the meso-level includes all kinds of intermediate organisations. Bolger (2000) distinguishes four levels at which weaknesses, constraints or threats can be identified.

This classification, which was developed within the theoretical framework of capacity development, also helps identify what capacities and capabilities need to be adapted, improved or gained in order to develop the full potential of the initiatives:

- **The broader system level** consists of the legal, administrative and policy frameworks and political environment (including political commitment, attitudes and values); technology; social and cultural context; and economic trends. The major and shared obstacles at this level include legislation, bureaucracy, resistance from bureaucrats and political opposition.

  Among these, bureaucracy is considered to be the chief obstacle. The Slovakian pioneers point to the EU rules and regulations as well as to national legislation (which is ‘sometimes stricter than EU standards’). Their examples include national regulations concerning the processing of agricultural products or the many costly certificates needed to start up a business. Bureaucracy is experienced as a huge obstacle to accessing capital. Procedures inhibit access to loans (‘There is money, but there are too many authorities in the chain in between’), and thus put the implementation of projects at risk. Other inhibiting factors include the requirement that borrowers have sufficient starting capital and the need to start paying back the
loan after just six months. This is considered impossible by most potential borrowers. The lack of capital for co-financing of EU-projects is a problem as well, in particular in regions that are not close to the capital city. Difficulties in mobilising private financial resources may hamper access to structural funds. In addition, national tax policies are seen as an obstacle for reducing the size of financial support ('The Slovakian government creams off the direct payments: on top of the 19% tax, the state takes an extra 12.5% of the money we get from direct payments').

Lack of (access to) capital is not a problem that is unique to Slovakia, as it was mentioned by all the pioneers in the case studies. In the Dutch case, national politicians and policymakers reserved an insufficient budget for farmer-managed nature and landscape restoration and conservation. In the Italian case payment for nature and landscape management appeared initially to be impossible because of contradictory legislation. The rules determining access to subsidies for pasture management were in conflict with those for renting the same pastures.

Also administrators working within the bureaucratic institutions can themselves become obstacles to change. Political opposition also plays an inhibiting role. According to the pioneers, many politicians and policymakers pay lip service to rural development. The Italian pioneers believe administrators lack an understanding of or insight into rural transitional processes ('This is a period of transition and local administrators don't recognise that our initiative is promising. They still favour the dominant system. The point is that we are too far ahead for the average official'). In Slovakia pioneers believe administrators have a negative attitude toward entrepreneurs ('Many administrators still act as if entrepreneurs are their personal enemies. They consider them to be capitalists, people who are richer than most. They are jealous; they envy successful entrepreneurs, so they are not very willing to help them'). The Dutch environmental co-operatives have to deal with (national level) administrators who consider deviation from generic rules to be risky (loss of control) and as threatening to their authority. They have no faith in the methods developed by the pioneers and distrust the results as well as scientific research that demonstrates these results.

Opposition and resistance from bureaucrats and politicians can be explained in different ways. They may be ignorant, lack understanding or commitment or have serious objections to the new developments. This means that their behaviour may express both a power struggle and a cultural problem. In the latter case, an attitude change among bureaucrats and politicians and a culture change within their organisations are needed for rural development policies to become effective and efficient.

Additional inhibiting factors at the broader system level mentioned are corruption (Slovakia), inconsistent policies and differences of opinion between national, regional and local levels. This hampers the deployment of pioneering initiatives. Limited synergy between these initiatives and local administrations, both in administrative and technical departments (Italy), is also a problem. The pioneers in all three countries emphasised that there is a lack of clear rural development objectives within policies. They complained, for instance, that measures focused on rural areas are very much geared to the agricultural modernisation model. The Slovakian pioneers believe that current policies are therefore not really stimulating rural economic diversification. They are still aimed at and favour large-scale enterprises ('that is their way of thinking') instead of supporting SME-development. Also, the budget allocated
to rural economic diversification activities appears to be too small to award all the applications. Obviously, institutional problems such as unsolved land ownership rights, land fragmentation and a very limited land market still very much inhibit innovations in Slovakian agriculture, including multifunctional farming. The farmers among the pioneers (irrespective of the locality) further stressed that the concept of multifunctional farming is biased. That is, the normative framework for multifunctional farming is created by policymakers, politicians and researchers (‘Their vision on multifunctional farming is disconnected from rural practice’) and not by (or in consultation with) the farmers themselves.

The sector/network level comprises sector policies, strategies and programming frameworks of all sectors and networks involved in rural development. Apart from the already mentioned policy bias (e.g. preference for the agricultural modernisation model within agricultural policy), which is partly due to the strong lobby of existing interest groups, sectoral approaches imply compartmentalisation of policies. This is diametrically opposed to the broad and multisectoral view required for an area-based and integrated approach, which implies dealing with a broad range of issues that crosscut many policy fields and policy levels. The case studies demonstrate the limitations of a sectoral approach to rural development. The environmental co-operatives for instance have to deal with various ministries (e.g. Agriculture, Spatial Planning, Economic Affairs), while within those ministries different boards play a part in each project. All of them have their own expertise, agenda and ‘rules of the game’. A lack of co-ordination and coherence, conflicting competencies and priorities, old routines and different working styles can block full development of an initiative. Additionally, other stakeholders, such as several privatised governmental organisations and agencies which are part of the co-operatives’ network, participate in the decision-making and implementation processes. To complicate matters, new (more decentralised and bottom-up) models of governance have been introduced that further hamper rural development processes. This implies that consultations, negotiations and efforts to find a compromise are long-lasting and vulnerable processes. The sector level further includes other obstacles, such as opposition from vested interest groups within the mainstream professional agricultural world (i.e. agro-industry, farmer’s union and knowledge institutes).

The organisational level refers to the internal capacity of the various organisations involved. This includes their financial resources, internal (consultation) structures, work processes and procedures, staff quality, leadership, strategies to achieve set goals and linkages to other groups and organisations. The institutional dimensions of organisations are part of this level as well, and these encompass organisational culture, history and traditions, acceptance of the organisation’s mission among the members and the extent of shared norms and values in promoting teamwork and pursuing organisational goals. The Slovakian pioneers mentioned weak rural leadership as an obstacle for rural economic diversification. (‘Leadership must be innovative and challenging. The problem is that in most villages the (mostly female) mayors are not very educated. They don’t think globally. People often choose such a low-educated person because they prefer to be represented by someone who is like themselves. They distrust
people who are ‘different’; they presume such people will not act in the interests of the villagers’). The grassroots organisations involved in the case studies do not see their current leadership as a problem, but rather its discontinuation which could pose a problem in the future. Current leaders appear to not be very good at delegating tasks and sharing influence. This endangers the organisation and its mission, not only in the future but also in the short term, because too much work could overstretch current leaders.

Maintaining support for the mission and related activities among the participants of an initiative and among other stakeholders is equally important. As the interests of the involved people and other stakeholders may vary (due to class, gender, generation, ethnic differences) and/or change over time, this is a potential threat if not dealt with correctly. Therefore, acceptance and compliance with the organisation’s ‘rules of the game’ by all participants must be ensured constantly; if this does not happen, participants may decide to give up. An organisation thus needs mechanisms to ensure observance. Opposition, failure or bad results, delay or recurrent adjustment of activities can also decrease the motivation of participants and thus weaken the social basis of the initiative. Good communication within the board and among members as well as transparent decision making is crucial. Another point of concern is financial security: time and again, huge efforts must be made to guarantee the financial basis of an organisation. Without access to money, an organisation cannot function and goals are not achieved.

The community and/or individual level relates to social trust, mutual support, the ability to learn and co-operate and individual capacities, such as knowledge, skills (negotiation, networking, co-operation, public performance, etc.), values, motivations and beliefs.

The Slovakian pioneers consider people to be the biggest obstacle in rural development processes. Their knowledge, skills and capabilities still very much reflect the way of life and requirements they were used to in the past instead of being geared to the new socio-economic and political situation. According to these pioneers, most people in rural villages of Slovakia can be characterised as passive, inflexible, not prepared to take initiative, risks or responsibility and unwilling to co-operate – with other people or other enterprises. The latter characteristic is rooted in a lack of mutual trust and respect for each other. Of course, problems with co-operation may also be caused by insufficient organisational capacity. Poor working habits due to long-term unemployment and the weakening of social coherence are additional problems reported by the Slovakian pioneers. This may be due to growing disparities (e.g. between classes and ethnic groups), within villages (‘people are afraid of difference’). Individual farmers block rural economic diversification as well because many of them focus on primary production (‘they can’t think otherwise’).

Problems at this level within the Dutch environmental co-operatives stem from tensions between the more conservative and the more radical farmers. The Italian case showed that the family-based organisation of the farm can be a weak point: in theory divorce could jeopardise the whole construction (although this was not an issue in the case studied).
5. Critical Factors for Successful Endogenous Rural Development

From the case studies various factors can be identified as being decisive for the successes gained so far. These include personal attributes, organisational capacities, and general economic, political and societal trends.

Personal attributes

♦ A pioneering spirit, vision of the future, energy and endurance.
♦ Craftsmanship, entrepreneurship, organisational capacity.

Organisational capacities

♦ Strong, effective and proactive organisations, i.e. with self-organising and self-regulative capacity, democratic structures and clear objectives.
♦ Competent leadership (inspiring, knowledgeable, strategic), engaged and committed participants.
♦ Access to finance.
♦ Active participation in new systems of governance (bottom-up): establishing co-operation and partnerships between different sectors (private, public and non-profit) and stakeholders within a locality or between different localities as new mechanisms of promoting sustainable rural development (or creating new relationships between farmers; between farmers and institutions; and between farmers and consumers).
♦ Learning capacity: open to creative thinking and innovation; improvement of existing and production of new knowledge and creating the conditions to use this knowledge in the practices of farming and rural development. Cooperation is important to create synergy between the different knowledge systems.
♦ Forming influential networks and acting as a partner in strategic alliances, to create political support, among other aims. For example, the pioneering farmers managed to get support for their alternative approach from politicians and policymakers by emphasising broader societal concerns. Smart alliances with powerful lobbies, such as the environmental movement and consumers’ organisations, also encouraged political commitment.
♦ Awareness of the culture and context within which the initiative is developed. Capacity to build on this awareness and on shared values, feeling of belonging, and social networks of trust.

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48 In Abruzzo, different knowledge systems were used and combined to generate the knowledge necessary to realise the pioneers’ dreams. Traditional (locally available) knowledge, experiential knowledge (developed through working experience, experimentation and exchange of knowledge and experiences between farmers and shepherds within the network) and scientific knowledge (generated through research) are powerful resources separately as well as in combination.
More generally, endogenous development can be promoted by:

- responding to wider societal needs;
- rooting economic activities in local conditions, i.e. use and improvement of local resources; analysis of the regional competitive advantages (nature and landscapes, region-specific knowledge, foods, traditions and events, cultural heritage, art, etc.);
- creating coherence between ecology, economy and social life;
- understanding changes in and the effects of the politico-economic and institutional context of rural economic activities; anticipating and influencing changes in policies and rural governance structures.

Literature


New Co-operative Structures as a Resource for Successful Endogenous Rural Development


