

Towards a new theoretical framework for understanding regional rural development (chapter 1 from ‘Unfolding Webs: The dynamics of regional rural development’ (van Gorcum, Assen, 2008))

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In the year 2000 a multidisciplinary team of social scientists from several European countries argued, in a joint article published in *Sociologia Ruralis* (2000), that rural development basically was *practice without theory* (Ploeg et al, 2000)². Since then, rural development processes in Europe have gained considerable momentum and resulted in a dazzling array of new practices characterized by new dynamics and unanticipated impacts. Nevertheless, in 2006 the OECD again referred to the need for “a new research agenda in rural development” (2006: 19), implying that the nature, dynamics and heterogeneity of rural development processes, as they unfold in practice, were inadequately expressed in new theoretical frameworks. At the same time, rural development policies have continued to develop at supra-national, national, regional and local levels and, in the social sciences there have been some major shifts (away from earlier and, in retrospect, too limited and inflexible, models) that allow for a better understanding of a rapidly changing world.

At the crossroads of changing practices, policies and theories it is now possible, we believe, to make a substantive step forward. What we aim for, in this collection of papers, is to tie together the many recent and significant achievements in practice, theory and policy in order to outline a comprehensive *theory on rural development*. The attempt to construct such a theory also corresponds to a call, formulated by the European Commission in its 6th Framework Programme, for an “analysis of conceptual aspects of sustainable and integrated rural development” (EC, 2005:32). Departing from the observation that “a living countryside is essential for farming, as agricultural activity is essential for a living countryside”, this call signals that “rural development policy is [...] no longer based on agriculture alone. Increased diversification, innovation and value added of products and services, both within and beyond the agricultural sector, are indispensable in order to promote integrated and sustainable rural development” (ibid). The FP6 document also observes that “rural development policy has been [...] reinforced by CAP reform [which is] characterized by new measures designed to promote a living countryside, to preserve its diversity and to ensure restructuring and the improved competitiveness of the farming sector”. It therefore proposes that “a key theme for research, strengthened by this widening of the rural policy area, is *the mutual interactions that take place between agriculture, the environment and other aspects, social and economic, of the wider rural development processes*”(ibid; italics added). In short, the 6th Framework Programme calls for a reconceptualization of the role of agriculture within the framework of wider rural development processes. This reconceptualization must account for, and

¹ The authors of this chapter are very much indebted to the members of the European Experts Forum who critically discussed a previous draft (Frankfurt, 30th of November, 2007). Ref. ETUDE, 2007.

² In itself this is not a strange phenomenon. Cannons were shot long before engineers formulated the ballistic laws that represent (or ‘govern’) the trajectory of the cannonballs. The same applied to ships. They floated the seas centuries before Archimedes discovered and formulated the ‘law of upward forces’. And continuing with ships: having no nautical maps at his disposal, Columbus nevertheless discovered ‘Las Indias’. This said, it is far preferable to have an adequate theory than none at all. It allows for better targeted, more effective and more adequately coordinated actions. Adequate theories help to improve and further unfold human actions.

simultaneously reflect, the large heterogeneity of Europe's rural regions, thus allowing for adequate inputs into the processes of policy formulation and implementation. At the same time, it must go beyond former sectoral approaches: it is to be "interdisciplinary and holistic" (ibid).

Central to the approach that is to be introduced in this volume are the closely interconnected notions of (1) rural development, (2) the 'web' that underlies and shapes rural development processes and (3) the diversity of rural regions. Rural regions differ in terms of their 'webs'; in turn, the specificity of the web helps to explain the particularity of a rural region and its development trajectory. The 'web' that we refer to is *the pattern of interrelations, interactions, exchanges and mutual externalities within rural societies*. This pattern embodies and describes "the mutual interactions" that take place between agriculture, the socio-economic context in which it is embedded and the rural development process(es) within which it is a constituting element. In short: *the web interlinks activities, processes, people and resources and, simultaneously, it shapes the ways in which they unfold*. A central hypothesis underlying this text is that the development of such a web, contributes to the performance of regional rural economies. We hypothesize that the presence of a smoothly functioning and comprehensive web explains the performance of a regional economy, its comparative advantages, its competitiveness, innovativeness and sustainability, as well as the quality of life that it offers to its people. Important features of such webs are their density, multi-dimensionality, impacts and dynamics.

Rurality and rural development

The rural is the place where the ongoing encounter, interaction and mutual transformation (in short: the co-production) of man and living nature is located. This encounter occurs through a wide range of different practices, which are spatially and temporally bounded. These include, agriculture, forestry, fishing, hunting, rural tourism, rural sports and living in the countryside³. Through co-production living nature is used, reproduced and transformed into a rich variety of often highly contrasting expressions. Particular landscapes, containing specific land-use and settlement patterns, specific levels of biodiversity, but also particular breeds and food products, are among the many outcomes. Co-production equally shapes and transforms the social – the rural has been characterized, from ancient times onwards, by particular institutions (such as the family enterprise, the centrality of crafts), relations (e.g. particular town-countryside relations), identities and subcultures. Within the framework of the rural both the social and the natural co-evolved in a specific, and often mutually reinforcing, way.

Throughout history (and especially in recent decades), there have been major shifts within the co-production and co-evolution of man and living nature. On the one hand, the composition of the practices that together make up the rural economy has shifted dramatically. While agriculture is, in many areas, a declining activity (at least in quantitative terms), rural tourism, rural housing and rural sports have become, in many places, important new elements of the regional rural economy. This is reflected in the frequently used statement that the rural has changed from being a "place of production" towards being a "place of consumption". Consequently, new frictions have emerged between former, once dominant carriers and relatively new ones: the countryside has become "contested".

³ There are, evidently, also encounters between man and living nature in urban contexts. Parks, home gardens, pet animals, etc., are but a few expressions. On the one hand these expressions indicate that the 'rural' is valued by considerable sections of the urban population. On the other hand their limited character underlines that this co-production is of limited importance within urban areas. In the countryside it is precisely the other way around. Here the encounter, interaction and mutual transformation of man and living nature is central (see van der Ploeg, [1997] 2008).

On the other hand, the interrelations between man and living nature *as such* have also changed. This is especially true within agriculture. Although far from being a generalized process, in some sectors and in some places, farming has increasingly been *separated* from living nature. It has become increasingly based on artificial growth factors, and thus ceased to contribute to the reproduction of landscapes, nature and a healthy environment. Instead, agriculture rather became a threat to these amenities.

Rural development is, essentially, about revitalizing and strengthening the rural. Rural development cannot simply be equated to economic growth or development of rural regions (although rural development processes might turn out, at least in some instances, to be important drivers of the latter). Rural development aims to reposition the rural within the wider society, by making the rural more attractive, more accessible, more valuable and more useful for society as a whole (including rural dwellers). Rural development is essentially what the concept literally says: it is development of the rural⁴. It is about the further unfolding (or revitalization) of the amenities (or resources) contained in the rural – amenities that are important to society as a whole. Rural development is based on natural resources: it reproduces and further develops these resources. Consequently, *co-production* is crucial to rural development. Through rural development the *rural economy*, in as far as it is grounded on sustainable use of natural resources, is strengthened. Rural development is not to be equated, in a unilinear way, to the growth of the rural economy. Not all forms of economic growth in the countryside can be defined as rural development. More often than not, indiscriminate forms of the former are highly detrimental to the latter. Only when the use and development of *rural resources* translates, directly or indirectly, into (new) economic activities and the associated production of Value Added, is there an alignment between rural development and rural economic growth.

Rural development repositions the rural regions (and the elements that constitute them) within society as a whole. This repositioning occurs through elaborating new interlinking mechanisms, new forms of governance and re-patterning the processes, activities and networks within rural regions. Rural development regards all the elements that together make up the rural – especially, though not exclusively, the wide range of activities that together make up co-production – precisely because it is through these activities that the natural and the cultural features of the countryside are shaped and re-shaped.⁵

The historical, social and politico-economic background of, and need for, rural development lies in the complex post war transition of the European countryside. Alongside the emergence of growth poles that contained specialized, intensive and often large scale farming, a widespread process of marginalization occurred that resulted in the creation of new peripheral areas where farming disappeared or was reduced to the delivery of cheap raw materials for the growth poles. A massive rural exodus was followed by new forms of counter-urbanization that equally tended to erode the rural. Environmental pressures grew exponentially nearly everywhere. Within this new and contradictory scenario, farming (as well as several other rural activities as e.g. forestry) increasingly ceased to be the nexus (the *liaison*) between society and nature. This prompted a new, multi-faceted search for rural development, both at

⁴ The concept of rural development is both ambiguous and contested. This ambiguity is not intrinsic to the concept, but due to the many social struggles (including ‘classification struggles’) at the many interfaces within the agricultural sector, between agriculture and wider society, within society, and within policy (between e.g. the classical CAP and newly emerging RD policies, between the first and second pillars, etc).

⁵ New and important fields of activity as e.g. nature development and nature management are also part of this wider category of co-production. However, this does not imply necessarily that they are efficient, effective or widely accepted forms. The same applies e.g. to rural housing: which can both revitalize and embellish the rural as much as it can destroy it.

the grass-roots and policy levels⁶. Thus rural development became a new empirical, albeit contingent phenomenon. It reflects the widely felt need to restore the many interrelations between man and living nature (including through reconstituting the farming sector), whilst also representing a many-sided, complex and insecure search for, and construction of, new interrelations between the urban and the rural⁷. This search interacts with and further strengthens inter and intra regional heterogeneity in Europe.

In this chapter we will first briefly present a typology of rural regions, then proceed to a more extended discussion of the concept of the rural web and then explore, in more detail, the interrelations between diversity and webs.

An introduction to rural diversity

Rural Europe is witnessing a multiple process of regional differentiation that is being driven by a range of different, but often interrelated, influences. Through this (partly ancient, partly new) process of regional differentiation, a spatial diversity is emerging that is characterized by five extreme poles (see Figure 1) and one interlinked, somewhat floating, category. These are:

- a) Specialized agricultural areas, where farming shows high degrees of specialization, intensity and scale and where other economic sectors are only weakly connected to agriculture. *Flevoland* in the Netherlands and/or the Paris Basin in France might be taken as an emblem of this type of region.
- b)** Peripheral areas: These are regions where farming never played a major role (as in the extended Finnish woodlands). This category also includes areas where agriculture was once significant, but is currently in decline. In the most extreme examples, these are areas where the decline of agriculture contributes to depopulation and/or deprivation. This latter type is exemplified by vast areas of the Italian *Mezzogiorno* and large parts of Eastern Europe.
- c) New rural areas⁸, where agriculture is developing along the lines of multifunctionality, and is increasingly intertwined with the regional economy and society, thereby contributing to regional qualities (as biodiversity, landscape, the supply of services, quality of life, energy production, etc). In these areas multifunctionality is often articulated at the level of the enterprise and the *multi-product enterprise* is a distinctive feature of these regions. *Tuscany* is a telling example here.
- d) Segmented areas, where alongside specialized agriculture *other*, equally specialized sectors (e.g. housing, tourism, and nature) are emerging. In these areas multifunctionality at the level of enterprises is lacking. Instead, the region as a whole offers a broader range of juxtaposed services and goods. Multifunctional *land-use* (at

⁶ There is an important historical parallel: The first round of massive industrialization in European cities triggered a large campaign to counter the multi faceted degradation and impoverishment that this had created. Cities were upgraded (a process that continues to be repeated periodically). Following this line of reasoning it could be argued that the massive industrialization of European agriculture that took place from the 1960s onwards is now triggering a process of *rural* restoration. The historical specificity of this process resides in the fact that it is associated with a general decline and crisis of agriculture.

⁷ As argued convincingly by Pezzini (2001), rural areas can help to enhance the quality of life of European citizens by providing public goods, such as a clean environment, the protection of cultural heritage and attractive landscapes, which can be the source of amenities that in turn may create a favourable scenario for economic development.

⁸ We are partly following here the classification elaborated in an Italian research programme on 'the quality of life rural areas' (see Ventura, Milone and van der Ploeg, 2008). However, the same classification might also be derived from Marsden and Murdoch (2006). One point of relevance here is that the Italian study shows that the presence, strength and form of social capital significantly differs between different types of space.

the regional level) is the distinctive feature. The Italian *Pianura Padana*, the Po Valley, is a striking example.

- e) New suburbia, where agriculture is declining and where new, often dispersed, settlement patterns are emerging, in which commuting provides a major link with the urban economies. The surroundings of big cities such as Dublin, Rome and Madrid are good examples.
- f) A final category is ‘dreamland’. Dreamland falls outside the classification elaborated so far. It reflects additional and highly contingent tendencies. It is the place where, indeed, dreams are bundled. These might be stable places, but mostly they are places whose popularity waxes and wanes. A good illustration of ‘dreamland’ can be found along the Latvian Coast. On a strip of land (between the sea and the woods of the hinterland) there are many leisure houses (especially for the rich). In the summer this strip of ‘dreamland’ is a lively place, full of activity and luxury. In the winter it is abandoned, empty and desolate. Dreamland can very well overlap with parts of the types discussed above.

Figure 1: a preliminary typology of rural regions

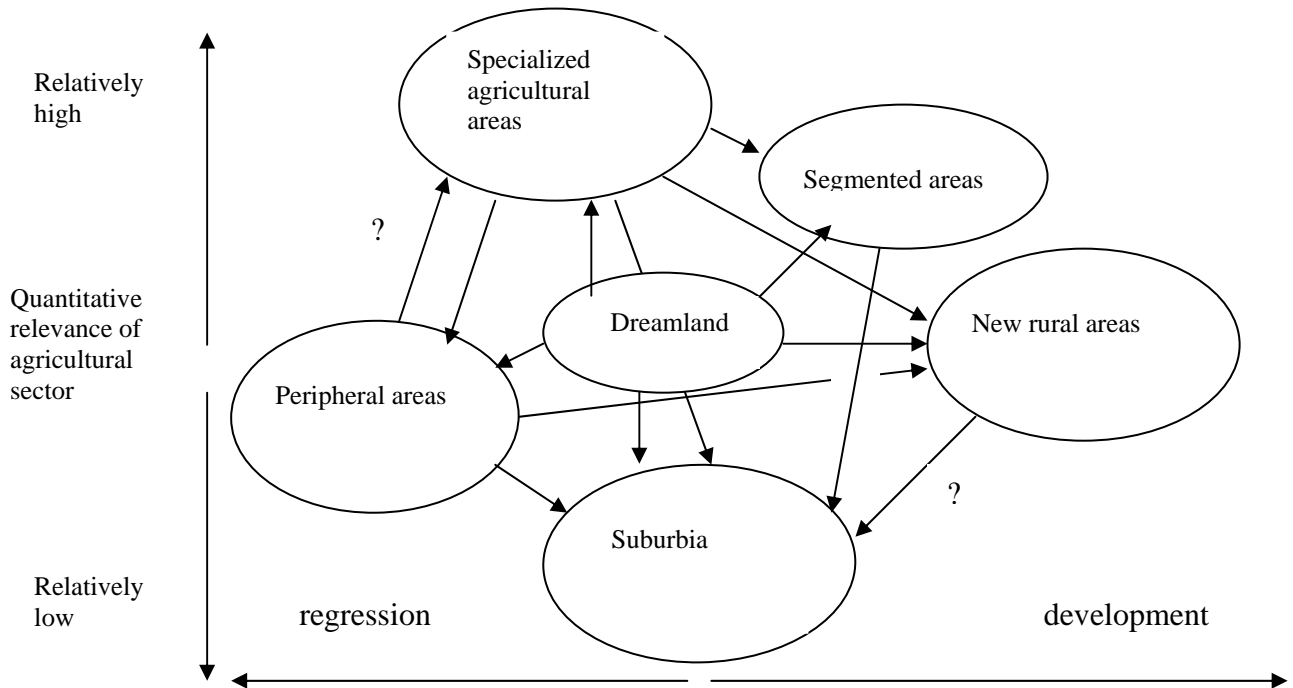


Figure 1 illustrates these ‘ideal types’. In reality these idealized types will include aspects of other types too: a specialized agricultural area, for instance, might contain *some* multifunctional enterprises, some housing and some spots dedicated to nature, although specialized farming will remain the core activity. Figure 1 shows that the rural is moulded (or: patterned) in mutually contrasting ways. Consequently, rurality takes different forms, which are appreciated in different ways by different groups within society at large. Hence, Figure 1 also summarizes different patterns of interaction between the rural and the urban.

The arrows in Figure 1 refer to possible processes of transition. Specialized agricultural areas, for instance, might change into segmented areas, new rural areas or peripheral areas. Examples of such transitional trajectories abound. However, it might also be possible that, due to the rise of bio-fuel production, the barren lands of peripheral areas are turned into new

spaces of production of energy: then they are reconstituted (again) into specialized agricultural areas. And so on and so forth.

A brief introduction to the notion of rural web and its constituent dimensions

The network that patterns regional rural societies and economies (i.e. the web) is multilayered. *Empirically*, a rural web is composed by the interrelations, interactions, encounters and mutualities that exist between actors, resources, activities (be they social, economic, political or cultural), sectors and places within rural areas. The more interrelations, connections, encounters and combinations there are, the higher the *density* of the web. The rural web is, to echo a well known concept in social sciences, *the more or less coherent whole of the actor-networks that exist within the rural*. The web, i.e. the conglomerate of actor-networks, is multilevel: it covers the local and the regional and this, in turn, influences the inter-linkages with higher levels of aggregation. The stronger these inter-linkages, the more *extended* the web is, as a whole. Rural webs involve many actors, institutions, enterprises, state agencies and social movements. They are, in short, also multi-actor. When comparing these networks, one finds great heterogeneity: they differ considerably from one region to another. The morphology of rural webs shows considerable variation, as we will demonstrate in chapter 9 of this volume. Equally, such networks are not fixed; they can and do evolve over time. They are *dynamic*. Webs might support (translate into) the strength(s) of regional rural economies and societies, but they might also reflect the overall weakness(es) of particular rural regions. Webs will contrast greatly and there will be notable differences in their dimensions (discussed below). Rural development implies the *evolution of webs*, which can, at least in part, be inspired by goal-oriented interventions and adaptations. To extend the analogy, there are not only webs, but also spiders.

At the *empirical* level a rural web is composed by actors, resources, activities, etc. and especially by the interrelations between them. From a *theoretical* point of view, this same web emerges as the intersection of several dimensions. We will distinguish and elaborate six dimensions, each of which highlights particular features of the web.

Figure 2 outlines these dimensions. They are derived from a review of available attempts at theorizing rural development processes as well as from the general literature on development (these reviews are reported in the following chapters)⁹. The dimensions included in Figure 2 are also based on ongoing discussions about rural development processes and policies – discussions that are currently taking place everywhere in Europe.

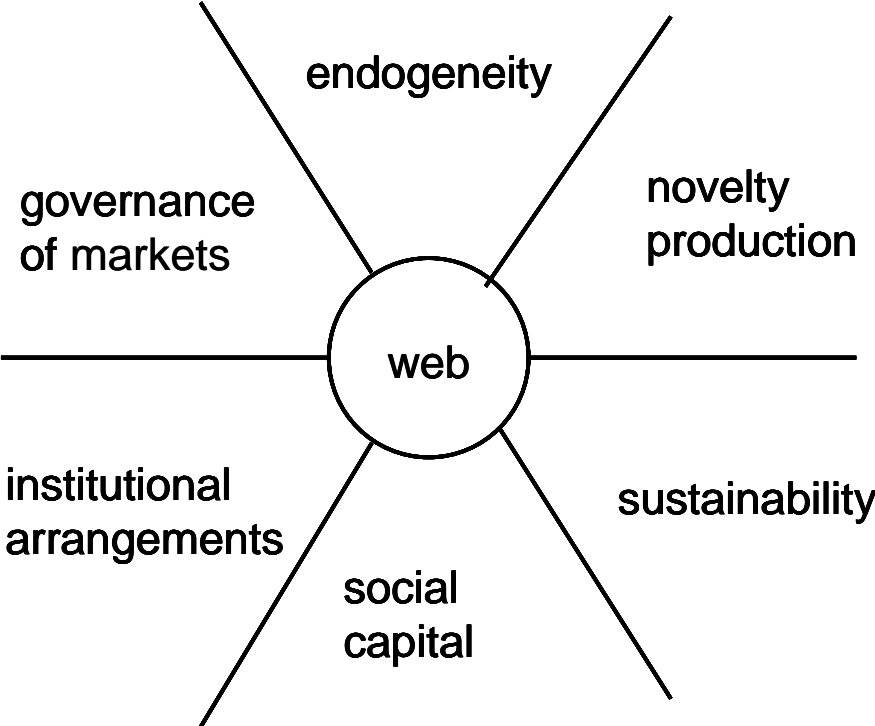
It is important to stress that, although these dimensions might readily be *distinguished* from each other (at least theoretically), they cannot be *separated* from each other. In practice they are almost always intertwined –albeit in highly variable ways. A multidimensional web cannot be broken down into separate segments, each corresponding to a particular dimension. The interrelations, interactions, exchanges, positive externalities, etc., - in short: the web – are expressed *simultaneously* across all dimensions (in positive, neutral and/or negative ways).

It is also important to stress that the concept of web is *not* limited to the agricultural sector. It integrates all the possible elements that share the same geographical space: small and medium sized manufacturing firms, local tourist-oriented clusters of services, entrepreneurs in the

⁹ Several of these dimensions are also mentioned in “Conference Proceedings: Regions for Economic Change – Fostering competitiveness through innovative technologies, products and healthy communities, EU/Regional Policy, 7-8 March 2007” and OECD, “Building Competitive Regions: strategies and governance” (Paris, 2005). However, we think that the list of six dimensions presented here is more integrated.

building industry, cultural associations, regional and local political institutions, etc. It is only when this wider set of interdependencies, interactions and the implied synergies and externalities are taken into account that the notion of web becomes meaningful. Agriculture might play an important role within such a web or it might be marginal or even absent. This can only be assessed through empirical research. Finally, it should be noted that we are not dealing here with ‘formal’ dimensions (e.g. the economic, the social, the political), but with substantive ones that aim to identify the underlying patterns that explain the strength of rural regions and associated rural development processes.

Figure 2: The theoretical dimensions of the web



Endogeneity refers to the degree to which a regional economy is grounded on regionally available (and regionally controlled) resources. The concept of endogeneity makes no claim to ‘exclusivity’ in the sense that regional economies are solely based on regional (and local) resources. The concept refers to the balance of endogenous and exogenous resources and the control exerted over that balance (i.e. whether regionally or externally-based) and to the destination and use of the produced wealth (i.e. within the region or channelled to other locations). The level of endogeneity is not given or fixed but can be improved (in different ways and directions) or can deteriorate. Endogeneity refers, in a way, to rootedness: to the degree to which a regional economy is grounded on regionally specific resources and, simultaneously, it develops them. More generally: endogeneity refers to the relevance of space and to the capacity to organize, use and develop it. We hypothesize that the more endogeneity is developed, the higher the competitive advantage of the region concerned will be.

The notion of endogeneity does not only refer to material resources. The concept equally (if not especially) refers to social resources, to local, intangible assets such as entrepreneurial and civic culture, patterns of cooperation between economic and social agents and institutional

quality. Such ‘social’ resources can be the carriers that bring *uniqueness* and *distinction* to rural economies (as will be spelled out in chapter 3). Such features might in turn pave the way for a broad vision of endogeneity that not only refers to products, but also to production and commercialization *processes* especially. Thus, the intertwining of social and material resources might produce synergistic effects that otherwise would be missing.

Novelty-production refers to the capacity, within the region, to continuously improve processes of production, products, patterns of cooperation, etc. Novelties are crucial. They provide new insights, practices, artefacts, and/or combinations (of resources, of technological procedures, of different bodies of knowledge) that enable specific constellations (a process of production, a network, the integration of two different activities, etc) to function better. Novelties are, at least initially, not elaborated in terms of codified (or scientific) knowledge. “Novelties are located on the borderline that separates the known from the unknown. A novelty is something new [...]. At the same time, [they] are, as yet, not fully understood. They are deviations from the rule. They do not correspond to knowledge accumulated so far – they defy, as it were, conventional understanding. Novelties go beyond existing and explained regularities” (Wiskerke and Van der Ploeg, 2004). Novelty production is strongly associated with contextual knowledge (and therefore is unique to a specific region)¹⁰ and, at the same time, it can strengthen the dynamism and competitiveness of rural regions.

Sustainability has been conceptualized in a variety of ways and it is impossible to find a single unifying definition. Nonetheless, the notion of sustainability as the existence of the social and ecological conditions necessary to support human life at a certain level of well being through future generations (Earth Council, 1994) is generally accepted. Through sustainable development “the often competing needs of economy, society and nature can be met [and aligned], with special attention to the requirements of economic growth, social justice, ecological protection and inter-generational equity” (Kitchen and Marsden, 2006: 11; see also Huber, 2000: 270). Chapter 2 focuses on *sustainable rural development* and argues that “through sustainable rural development new sources of income are currently being mobilized to augment otherwise stagnating agrarian incomes. Rural development practices have also facilitated the elaboration and implementation of new, innovative methods to combat increasing costs. In short, sustainable rural development reconstitutes the eroded economic base of both the rural economy and the farm enterprise”.

Social capital is understood, in this volume, as the ability to get things done collectively. Social capital is a co-operative way of getting things done and is embodied in the ability of individuals, groups, organizations and institutions to engage in networks, to co-operate, to employ and use social relations for a common purpose and benefit. Thus, social capital contributes to achieving goals on the basis of relationships that exist between different actors, be they individuals, groups, firms and organizations.

Institutional arrangements can, in a more generic perspective, be understood as structures and mechanisms of social configuration and cooperation. Institutions are most commonly understood as sets of regulations, laws, norms or traditions that are shaped through human interactions and that often are manifested in an organizational structure (Bowles 1998, Diaz-Bone 2006, Fürst 2001 a and b). Institutions can also be seen as social constructions, artefacts of a particular time, culture and society, produced by collective human choice. They emerge, develop and function in a pattern of social self-organization, which goes beyond the conscious

¹⁰ It is not yet codified as innovation and can not (yet) travel to other places. Thus it might give a particular region a competitive advantage.

intentions of the individuals involved. In terms of rural development processes, institutions have the task of solving coordination problems and supporting cooperation. They can consist of legal frameworks that allocate specific rights to a certain actor or they can consist of values that, to a certain extent, regulate the actions of organizations/actors. A key question is which institutional arrangements provide effective incentives for building trust and facilitating collective action (Gatzweiler 2003).

The last dimension, *market governance*, refers to the institutional capacity to control and strengthen markets and to construct new ones. This is related to the way in which specific supply chains are organized, how the total realized value is shared (between actors but also spatially) and how the potential benefits of collective action are delivered (Saccomandi, 1998).

We do not intend to use the concept of web as yet another ‘structuralist’ interpretation of regional and/or rural development. The web, as outlined in Figure 2, refers to the dimensions through which human agency is expressed; these summarize, as it were, the many fields of activity in which human actors operate and within which they actively construct (or fail to construct) sustainability, governance, novelties, etc. The web, as an analytical tool, offers an instrument to assess the effectiveness and comprehensiveness of actors’ activities in successfully constructing development trajectories that can restore the rural.

Towards empirical analysis

As reported in Chapter 9 of this book, the ETUDE programme has carefully documented, described and analyzed 62 empirical expressions of rural development in order to explore the wide variety of rural webs and to ‘test and ‘load’ the theoretical model outlined in Figure 2. The 62 cases cover nearly all the countries of the EU and include successful rural development experiences as well as aborted, failed or partially failed ones. Some of the cases were almost exclusively agrarian, while others are not related with agriculture at all. Most cases, however, embrace both the non-agrarian and the agrarian side of the equation and often the interactions and the synergies between the two is a decisive feature .

Without pre-empting the detailed discussion entailed in Chapter 9 we will present here some of the general methodological (and theoretically relevant) findings of this exercise. Firstly, it turns out that the six dimensions (summarized in Figure 2) are time and again identifiable in all the examples of rural development. Whatever the specific range of activities, practices, processes, interrelations and mutualities, the six dimensions emerge – separately and as an integrated, mutually reinforcing whole – as *relevant and exhaustive*. Together, they allow for a *comprehensive* description, representation and understanding of the constellations explored. This applies to agrarian and non-agrarian cases, to women’s groups and the activities of new rural dwellers; to energy production and newly emerging rural co-operatives that try to link the production and consumption of food along new, short and sustainable circuits. The model as a whole also helps *to identify missing links*, e.g. a lack of social capital in the building of new regional development trajectories. It helps, technically speaking, to elaborate an integral, comprehensive and exhaustive ‘SWOT’ type of analysis for highly differing situations

Secondly, the application of the ‘web model’ shows that actions, plans, and processes that unfold along one dimension (whichever it is) only become successful in terms of rural development, if and when they *translate* (and link) to other dimensions (that is, if and when they go beyond the limited nature of the current ‘project approach’). *Rural development proceeds as an unfolding and further strengthening of the rural web*. It materializes as a re-patterning of (previously existing) relations, routines, lacunae, sets of often negative

externalities, products, services and institutions that positively influences all the dimensions within the web.

Finally, the application of the analytical model also allows for a clear diagnosis of those settings where rural development is *not* materializing in one way or another. This is the case in e.g. the Wolden, a rural area in the Netherlands, where the connections required for rural development are not being created. In a similar way, Spanish researchers (Arnalte and Ortiz, 2004; Moreno *et al.*, 2004) have highlighted how the implementation of rural development strategies based on multifunctionality have been frustrated. They showed that direct payments and agro-environmental payments to large, cereal-producing and sparsely populated areas have failed to revitalize the countryside. Landowners and professional farmers in these areas are taking advantage of the improved transport facilities and the low labour requirements of these cereal crops, to live in the cities, thus becoming ‘inverse’ commuters who divert direct and agro-environmental payments towards the cities. This led the researchers to question the suitability of agriculture as the main channel for rural development in such areas where farm income support and agricultural modernization are increasingly disassociated from rural vitality.¹¹

Taken together, the six dimensions describe the regionally available social and natural resources and the specific ways in which these are combined and developed. Put differently: the web is not only about *flows* (entailed in the many interactions, interrelations, encounters, etc). It simultaneously refers to the regionally available *stocks* (or *funds* or *assets*). Thus, the web summarizes and characterizes the regionally available natural and social resources and, especially, their development and the ways in which they interlink.

Although social and natural resources evidently cannot be separated (their combination into specific socio-material constellations is central to the notion of a web), three of these dimensions emphasize the ‘natural’ side of the equation. These are endogeneity, novelty-production and sustainability. Endogeneity specifies the origin of resources, particularly natural ones; novelty-production refers to the capacity to unfold these resources further; and sustainability locates their use along the time dimension by illustrating whether or not they are being reproduced and reconstituted.

Social capital clearly relates to some major aspects of social resources: the way in which they are mobilized, interlinked and produce linkages through which they are strengthened. Institutional arrangements refer to the way in which social and natural resources are governed and shaped into specific socio-material constellations. Finally, the governance of markets influences the specific ways in which products from different socio-material constellations are marketed and valorized.

As discussed in several of the following chapters, the notion of “capital”¹² might be used to further specify these dimensions and their interrelations and intertwinement. Thus, endogeneity and sustainability (and indirectly novelty-production) refer to the *ecological capital* available in the region. Novelty-production also refers to (one aspect of) *human capital*. Social capital and institutional arrangements refer to *social capital* in the broad sense

¹¹ The *sequence of conditions* that allow for effective rural development through multifunctional farming emerges here as strategic issue (see also Arnalte and Baptista, 2007). This refers to the strategic relevance of the typology discussed previously. In specialized agricultural areas the support measures for Rural Development might have effects that completely differ from those in e.g. new rural areas.

¹² Here we follow Bourdieu (1986:241): “The social world is accumulated history [...and] one must introduce [therefore] the notion of capital [...]. Capital is accumulated labour (in its materialized or its embodied form) [...]. The structure of the distribution of the different types of capital at a given time represents the immanent structure of the social world, i.e. a set of constraints, inscribed in the very reality of that world, which govern its functioning in a durable way, determining the chances of success [...].”

of the term. *Economic capital* is found in endogeneity, sustainability and, especially, in the governance of markets. Finally, *cultural capital* (the capacity to produce distinction) might reside in all these dimensions but especially in the governance of markets through which the regional economy is articulated to wider society via, for example, distinctive products (that command a premium price).

Our analysis proposes that these different forms of capital can be summarized in the broad notion of *territorial capital*. This refers to the amount and intertwinement of different forms of capital (or different resources) entailed in, mobilized and actively used in (and reproduced by) the regional economy and society. This composite territorial capital provides the means for the (re-) production of wealth, competitiveness, innovation sustainability and the quality of life. Such an approach is in line, we believe, with the perceptive characterization of ‘territory’ recently developed by Roberto Camagni (2007). Territory, he argues, is “a system of localized proximity relationships which constitute a ‘capital’ – of a social, psychological and political nature – in that they enhance the static and dynamic productivity of local factors” and also “a system of rules and practices defining a local governance model”. Following this line of reasoning we should also highlight the inter linkages between territorial capital and the rural web in which the latter defines the composition, richness, extension, value and reproduction of the former. Indirectly, the web also underpins the productivity of territorial capital, i.e. its contribution to the competitiveness of the regional economy and its contribution to the quality of life.

The ‘web’ and regional diversity

We consider the ‘web’ (and the dimensions that converge in it) to be first of all an *analytical tool*. As such, it allows for a thorough exploration of the empirical characteristics of specific localities, wider regional settings and the development initiatives and processes within them. Application of this analytical tool will reveal large differences between regions, some characterized by a dense web that links sectors, institutions, people, expectations and processes together, while other regions will lack, or have a less widely developed web. The analysis will expose different degrees of e.g. endogeneity, institutional arrangements and sustainability, and especially the way in which these, and the mechanisms through which they operate, impact upon each other.

The different types of rural spaces illustrated in Figure 1 will show ‘webs’ whose size and structure radically diverge. They also will have different ‘co-ordinates’, i.e. different points of reference that orient and order their development trajectories. Typical co-ordinates for specialized agricultural areas are the world markets for agricultural commodities, the rules introduced by agribusiness and large retailers, levels of expected competitiveness, etc. On the other hand, the proximity of large cities and the demands that they place upon the countryside are significant co-ordinates for new rural areas, segmented areas and suburbia. More specifically, specialized agriculture areas and marginal areas are of *little relevance* for large urban areas and their populations in that the actor-networks entailed in farming will have little relation with, or impact upon, the actor-networks within the cities.

In the same way, new suburbia and forms of dreamland might mainly be seen as *overflows* for metropolitan areas (especially for better off people), while segmented areas and new rural areas emerge as the new *spaces of consumption* (especially urban consumption). Here, urban actor-networks and rural ones increasingly flow together; fusing into one and the same rural web. This is reflected in new initiatives in large metropolitan areas (e.g. London and more recently Amsterdam) that design programmes that explicitly aim at a new intertwinement of town and countryside. More generally speaking, national and regional policies can play an

important role in defining the co-ordinates that strongly influence whether rural areas are moving towards becoming suburbia, segmented areas or new rural areas.

The dimensions that make up the different webs will be expressed in contrasting ways in different types of regions. New rural areas, for example, will probably have a far higher 'score' in terms of endogeneity and novelty production than other regional settings. Equally we think that differently patterned regions will show different development trajectories, some of which will emerge as 'rural development trajectories', while others will divert considerably from this trajectory.

Applying the concept of the 'web' (and the dimensions that converge in it) to different regions (those in figure 1), will expose *differently patterned webs*. In this sense, the concept of the web is an *analytical* tool for empirical analysis. It does *not* represent a normative stance. Its application to the wide regional diversity that exists in rural Europe and to the widely diverging development trajectories that are currently unfolding reflects, and helps to highlight and explain, the many differences. It does not imply a normative evaluation and/or hierarchization. We expect that the empirically different webs will help to explain the sources and dynamics of rural development, especially (though not exclusively) within the new rural areas.

We anticipate that empirical analysis will also show that the significance, role, value and impact of agricultural sectors will differ considerably between different areas and within and through the particular development trajectories that characterize these areas. In nearly all rural economies, the largest share of economic activity nowadays is in services, manufacturing and housing. Applying conventional analysis leads to the conclusion that the role of farming is secondary or even marginal. However, when analyzed in terms of its contribution to the maintenance (and further development) of *territorial capital* (or more specifically: its contribution to the development of a regional web), farming might turn out to be – at least in some territories and in some development trajectories – *strategic*. Although the economic and social fabric of European rural areas is no longer *centred* on farming, the latter might remain a crucial prerequisite for the former. It might equally be a driver for an overall strengthening of the competitiveness of rural areas and their quality of life (Ventura, Milone and Ploeg, 2008). Again: whether or not this is the case, and in which areas and within which trajectories, is open to empirical research.

Although a normative stance is – deliberately - avoided here, researchers should be aware that the spatial constellations illustrated in Figure 1 are far from 'neutral'. They are all associated with, and reflect, specific interests. This applies even in marginal areas that embody, for example, environmental interests and the possibility of a return to 'paradise untouched' (where bears and wolves might be reintroduced or reappear). These interests translate into particular and mutually contrasting, if not competing, narratives or discourses (Frouws, 1998). Rural development is one such 'narrative'. We are very aware that it competes with other narratives, such as that of professional farmers' unions, who argue the case for specialized production areas where farming should be unimpeded by other (e.g. urban) interests and claims.

Reconceptualizing the rural

For many decades rural regions have been understood (and managed) on the basis of the classical "urban-rural continuum". In this view the urban and the rural are polar opposites along one singular dimension in which 'more urban' translates into 'less rural' and vice versa. This is still echoed in OECD categories as urban, peri-urban, peri-rural, rural, and deeply rural

– categories that are based largely on demographic criteria with a high population density representing the urban side of the equation and a low density the rural side. The limitations of this approach are many and have been widely discussed in the literature.

We believe that a discussion on rural development, webs and the diversity of rural spaces allows for a different approach, which does not assume that the rural and the urban are mutually exclusive. The simple divide between urban and rural no longer fits with the spatial, cultural, economic and social characteristics of 21st Century Europe. There are as many interrelations between the two as separations. Town and countryside are intimately linked and interdependent – to the extent that urbanization is currently creating the need for ‘more rurality’ in order to maintain a balanced society and an acceptable quality of life (as argued by e.g. the Dutch Council for the Rural Areas - RLG, 1996).

What is increasingly *distinctive* is, in the first place, that the rural is no longer the antipode of the city, but above all a multi-faceted *prerequisite*. Secondly, the reconceptualization of the rural needs to be grounded in the recognition that town-countryside relations are, especially in the current epoch, far from uniform. The sets of interrelations that link the urban with the rural and that co-constitute both the former and the latter are highly heterogeneous. Hence, rural regions should be conceptualized and delineated in terms of, and according to, the specific interdependencies that link them to urban concentrations.

As argued before, certain rural spaces might be of relatively little interest for (and to) the cities. These spaces will include marginalizing areas and, increasingly, specialized agricultural areas. In an era of globalization, food can come from anywhere. There is no longer a need to have ‘nearby’ areas to provide food for the cities (as assumed in the classical Von Thünen model)¹³. Equally farmers operating in specialized agricultural areas tend to minimize their direct contacts with urban people (partly due to hygiene regulations but also to avoid indirect spatial limitations). Maybe the notion of ‘reservoir’ is appropriate here. These are ‘fenced-off areas’ where contacts with the outside are avoided, and where both inflows and outflows are strictly controlled. In this sense specialized agricultural areas are the ‘reservoirs’ where food ingredients come from. Peripheral areas are – especially at the level of the EU as a whole – the reservoirs from which a cheap labour force originates (and from which, in the future, the biomass required for energy might originate). If none of these functions are met, these spaces become forgotten places. Nobody will care about them (apart from the few remaining inhabitants).

Other rural areas emerge as the loci that *offer the space* that is increasingly lacking within cities. These areas are the newly emerging and rapidly expanding areas where suburbanization materializes. Suburbia offer space, some green, safety, quietness (even, sometimes, a terribly boring quietness). In short, they are the opposite of overcrowded, noisy, dirty, full, unsafe, (etc.) cities. Suburbia might contain some pockets of (declining) agriculture, but its presence is more decorative: ensuring and reproducing the desired green areas. Dreamland also offers space; in this case literally for dreams. And since most people hardly need farming for dreaming, agriculture is mostly absent: if not materially, than at least symbolically.

A third set of interrelations critically assumes the existence of an agriculture that *actively articulates with the new needs* that are emerging from the cities: high quality products, regional products that carry an identity, care facilities, energy production, attractive landscapes, attractive expressions of nature and biodiversity, possibilities for housing, recreational facilities, etc. In new rural areas, considerable parts of agriculture are developing into new forms of multifunctional farming (Knickel *et al.*, 2004) that respond to this broad range of new needs and are simultaneously transforming themselves into new economic

¹³ Currently, specialized agricultural areas are linked to urban markets (even those of nearby cities) through *global* circuits, networks and mechanisms. Their location does not matter anymore.

pillars for the regional economy. Thus, these new rural areas are the spaces in which new urban needs and new rural supplies are interacting and simultaneously shaping and reshaping each other.¹⁴ Here, most of all we find that the ‘rural’ is being made to blossom again. In this respect it might be argued that the agricultural area called Waterland (an area located North of Amsterdam) is far more rural than e.g. the sparsely populated Finnish Woodlands, precisely because it is valued by many inhabitants of Amsterdam who like to take their leisure there. Finally, the ‘segmented’ areas represent another set of interrelations for which *mediation* is probably the keyword. Within these areas (mostly through tight government planning and control) specialized, large scale and intensive farming is still promoted, while urban demands are simultaneously addressed. Technically this is done through segmentation. Areas are zoned: one zone for farming, one for leisure, another for luxury housing, yet another for nature, probably an nth strip for water retention, etc. The success of such ordering critically depends upon the number of claims, the availability of space and the mediation of the different interests.¹⁵

In short: the different ideal-type areas that have been proposed (see again Figure 1) all present a unique set of typical town-countryside relations. According to these relations, the rural is patterned differently and societal needs are met in different ways. Together with this goes a differently positioned and differently structured agricultural sector. Depending on the area and web, the role of agriculture in rural development processes will differ significantly.

In the foregoing discussion reference was made to the classical Von Thünen model that explicitly linked farming and territory (by presenting concentric areas around large centres of consumption: with vegetable production and dairy farming located in the inner circles, grain production and meat production in the outer circles). Such a geographical ordering no longer applies when we have peppers coming from Africa and asparagus from Peru and China. However, when attention shifts towards the *public* goods provided by agriculture (landscape, biodiversity, accessibility), an adapted version of the Von Thünen model still seems to be applicable. Landscapes and attractive natural values are, as the modern jargon goes, definitively ‘*non-importables*’. Their location matters and so does the one of agriculture *in as far as it actively provides such non-importables*. The same applies to the wide array of *new* (private) products and services that are provided by multifunctional farm enterprises to meet the new societal demands emerging from the cities (e.g. recreational facilities, care and regional specialties). The demand and supply of these new public and private goods and services are increasingly (re-) defining and materially (re-)constituting such regions, just as the demand and supply of other, classical commodities (e.g. potatoes, meat, asparagus, etc) that, at least partly, define other regions. Cities and metropolises articulate different sets of interrelations with rural regions and help shape the typology of regions (see figure 1). Some

¹⁴ This *particular* type of rural development evidently requires specific conditions in terms of farm size, the size, composition and educational level of the farming family, the quality of the landscape, the proximity of large urban centres, etc. However, research also demonstrates that the involved actors are able to go beyond the immediacies of such conditions through novel arrangements (use of the internet to link with distant consumers; co-operation to go beyond limited farm or family size; new patterns for the division of labour in order to reduce entrance barriers, etc). This illustrates how new institutional arrangements and new forms of governance are crucial dimensions of the rural web.

¹⁵ An important implication of the foregoing reasoning is that it potentially assumes a redefinition of the region in that there is a *specific unity between the urban and the rural*. As a matter of fact, several countries now define “city regions”, that combine (instead of separate) big urban concentrations with the countryside that they are linked to. This unity can be structured in specific ways: as organized *indifference*, as the *opening of additional space*, as *meeting point of new needs and new supplies* (both material and symbolic) and/or as *mediation*.

area types are located around cities or historically are recognized as attractive areas, others are not locationally specific and can therefore be ‘mobile’.¹⁶

Rural regions reconsidered

While the notion of the *region* (and consequently, of *regional economy* and *regional society*) might appear to be self evident, we think that it is important to discuss the conceptual complexities and the strategic importance of this notion. Nowadays, any reference to the region (a place-bounded constellation) necessarily and unavoidably intersects with the debate on the changing interrelations of the local and the global and the ways in which these are to be conceptualized. By putting the region centre-stage, we argue that the region is far from being a “non place”. It is not just an accidental (and easily changeable) set of co-ordinates where globally and freely flowing commodities are converted in other flows that subsequently can go anywhere else (or ‘nowhere’). A region is definitely not a “non place” (although, admittedly, some regions are increasingly being converted into such non places). Regions are far more than a more or less accidental location through which different flows do (or do not) go through. As argued before, the region is the location of specific “funds” (the regionally available materials and social resources or forms of capital), which in turn generate and receive specific “flows”. This territorial capital and the associated flows are bounded to the region – in the best of all cases, they even carry the ‘logo’ of the region. Funds and flows within the region are combined in particular and sometimes dynamically evolving ways¹⁷ that may be both sustainable and productive and create a distinctive performance. In short, regions are (or might be) an important counterpoint to a rapidly globalizing world.

Secondly, we emphasize that we are talking about *rural* regions here. As indicated before, the rural is often defined in a negative sense, i.e. as the opposite of the urban (with the rural thus figuring as the ‘non-urban’). We believe that a discussion on rural development critically needs a *positive* definition. Therefore we will introduce here three key features of the rural. These features help both to describe the rural and are also crucial for any subsequent discussion of the dimensions of ‘rural webs.’

a) As discussed before, the rural is the place of co-production between the social and the natural, *between man and living nature*. Co-production embraces many forms and activities, such as agriculture, forestry, hunting and fishing, but also a range of other and new activities. Examples of the former are bird-watching, outdoor walking, biking, playing golf, *ljipaa* *sykje* (gathering the eggs of the lapwing - even though it is formally forbidden), housing, spending the weekend in a little country house or caravan, etc. The rural is, in summary, *also* a place that is increasingly ‘consumed’ by the cities and metropolises. If the rural was not there, it would, for sure, be invented and created from within the cities. Examples of *newly invented*

¹⁶ The differentiated nature of rural areas and the associated heterogeneity of development trajectories raises a number of challenging questions:

- 1) Is it possible to understand *all* the different and mutually diverging development patterns as ‘rural development’, or is a stricter (and therefore more normative) notion of rural development needed?
- 2) Is it reasonable to try to initiate rural development processes all over Europe (regardless of the nature and location of the area)? Related to this, is it reasonable to dilute, to almost homeopathic levels, the ‘Pillar 2’ funding for rural development by spreading it over all regions?
- 3) What new relations of inter-regional competitiveness are emerging within rural Europe? At the regional level, rural development processes nearly always create positive outcomes. But will this hold true as more and more areas try to position themselves as spaces for urban consumption?
- 4) Should ‘segmented areas’ and ‘new rural areas’ be treated as equivalents in terms of rural development, or are there important differences (in terms of investment, the priority that public funding and policy should treat them with, participation, consumption, accessibility, Benefit/Cost ratios, etc)?

¹⁷ See also OECD (2005), “Building Competitive Regions: Strategies and Governance”. The OECD approach is however limited to mainly two dimensions: governance and innovativeness

forms of co-production include agro-tourism, care farms and new forms of energy production.¹⁸

b) The rural is characterized, in relative terms, by a predominance of small and medium enterprises (SMEs) that sometimes group together in clusters or districts, which, in turn can offer a range of positive externalities. The presence of many SMEs relates, at least partly, to the nature and dynamics of co-production and the associated labour processes. It is also an expression (at least partly) of the search for productive employment in one's own region and often translates into considerable regional dynamism and innovativeness.

c) A third aspect, partly related to the previous two, needs to be considered: Within rural areas, forms and mechanisms of non-commodity exchange (that is: socially or institutionally regulated exchange and the non-market regulated use of natural resources) are relatively important. This helps to create a certain resilience vis-à-vis abrupt movements in the markets.

The specificity of these three features will play, we think, an important role in the elaboration of a comprehensive theory of rural development at the regional level. It might be hypothesized, for instance, that the *specific* balances of the formal and informal and of commodity and non commodity circuits implies that the rural might contain more 'space' for experimentation (and novelty production) than urban spaces.

New sources for a theoretical understanding of rural development

At the beginning of this text, reference was made to the 'lack of an adequate theory'. This lacuna was especially felt at the beginning of this century. Now we think that it is possible to outline the contours of a solid theory on rural development. This is due to major developments in social science theories and in the practices and policies of rural development. Together, these provide the sources from which a new, comprehensive theory on rural development can be derived.

At the end of the 20th Century a major shift took place in the social sciences, the components of which had been maturing for several decades. The essence of this shift (or 'turn' as it is sometimes referred to) is that social life should no longer be understood as being produced by some underlying structure. Rather, the explanation of social life is thought to be encountered *within* social life itself – not *outside* of it. Social life is both *explanans* and *explanandum* (that which explains and is to be explained): it can only be explained by itself. This essentially *non-deterministic* approach has several important advantages. It allows us to come to grips with heterogeneity. It also allows for the inclusion of actors and agency within the analysis and it facilitates a reconceptualization of the notion of structure¹⁹. Actor and structure are no longer seen as mutually exclusive entities: structures are multiple, contingent, variable and actor-dependent, just as actors face a range of routines, vested interests, shared expectations, etc., with which they necessarily have to deal, without being completely governed by them.

Although there are many 'steps of translation' through which this general point of view can be applied to specific theorization about rural development processes, the 'web', as a central category of the latter, clearly reflects the epistemological position summarized above. Without

¹⁸ Needless to say that classical and new forms of co-production might clash; however considerable synergy might also arise.

¹⁹ In this respect we refer to the strategic contributions emerging from neo-institutional economics. Instead of representing 'the market' as a fixed structure that unilaterally determines the operation and development of the productive units embedded in it, neo-institutional economics focuses on the *differentiated interrelations* that are established between these units and the markets. Thus, heterogeneity, flexibility and differential development patterns become *theoretically* possible (Long and van der Ploeg, 1994).

neglecting wider patterns, such as the international division of labour, the performance of regions can only be explained *by and through* the regions themselves, while differences *between* regions become strategic for understanding their differential performance. From this perspective, the particular way a specific region is patterned (i.e. its web)²⁰ is central.

Associated with this point, another cornerstone of our analysis needs to be introduced. *Development* (as the dynamic flow of situations, patterns, activities and events through time) cannot be understood as the result of one single logic that necessarily unfolds into one trajectory²¹. There are many different and mutually contrasting development trajectories; each with its own historical roots, mechanics, dynamics and impact. Each trajectory is built on particular resource combinations and embedded in particular patterns. Each trajectory involves particular actors (in particular roles), implies specific interrelations between different levels, follows particular directions, relates with interests and prospects in specific ways and assumes its own conditions and prerequisites. Competing trajectories can be encountered often within one given spatial setting and the interrelations between these and the resultant outcome can provide a complex, and often unstable, interplay.

It follows that regional (rural) development cannot be conceptualized as the (somewhat accelerated or retarded) application (or outcome) of a general set of 'laws' that are assumed to govern the development process. Regional development, although conditioned by the many relations between the region and its wider context, is basically constructed regionally. Here, the 'web' as the pattern of interactions, exchanges, relations, shared experiences and expectations, mutual interdependencies and externalities, emerges as a strategic and *theoretically grounded* notion. It is within the region that the explanation for a particular performance is to be found and from where the road towards the future is to be constructed. This does not deny the relevance of wider patterns within which the region is embedded; what is crucial is *how* these wider patterns are *perceived, translated, faced, mediated and countered at the regional level*.

Other important theoretical advances are also helpful in constructing a renewed and extended understanding of rural development processes. These will be discussed in the following chapters, each of which discusses a particular dimension of the regional 'web'. The concluding chapter on the 'web' (i.e. chapter 8) notes that, over the last 20 years, rural studies had to stretch beyond several dichotomies that previously acted as constraints. These are: structure/agency, society/space, nature/culture and self/other. Other closely related dichotomies have also paralyzed rural studies for many years (such as e.g. global/local, innovation/novelty, market/non-market relations). The result of these theoretical changes is, as we will argue throughout this book, that regional rural development can now be conceptualized in a completely renewed way.

The many *practices* of rural development encountered throughout Europe provide a second important source for formulating a new approach. Agrarian-based rural development practices are no longer limited to individual projects, as they were ten years ago. They increasingly depart from, and unfold through, wider networks that link many different actors (including both farmers but also many non-agrarian actors), several different levels (the local, the regional) and are articulated on many different dimensions. Initially, the impact of rural development initiatives was most relevant at the level of individual enterprises. However,

²⁰ Or to put it differently, the way in which agency unfolds as well as the way in which actors' projects interlock (Long and van der Ploeg, 1994)

²¹ Within such a view, the many differences at the empirical level were mainly reduced to differences in 'speed'. The category of 'lagging areas' is, in this respect, a very telling one. It is, as it were, a spatial reflection of 'diffusion-of-innovation' theories.

there is now an increasingly significant impact being felt at the regional level as is amply documented and quantified in Ploeg, Long and Banks (2002, especially chapter 13).

This implies that the region will be the decisive level in forging a new theory on rural development. Rural development increasingly impacts upon the regional level (quality of life, employment levels, increased value added, synergy effects, etc). At the same time, it is within the regional context that rural development emerges as a concrete interest to be defended and strengthened by regional institutions and through regional policies.

Rural development proceeds along different lines. There are endeavours to stimulate the emergence of new enterprises in rural economies, whether new tourist enterprises or new ICT based enterprises. Rural development also proceeds through the development of multifunctionality at the level of the enterprise, in which *existing* enterprises (not only agrarian ones) develop new economic activities alongside the existing ones. These new activities are not just additional; by making multiple use of available resources they produce a range of interconnected products and services that together allow for new ‘economies of scope’²² and synergy. Thus, multifunctionality emerges as a place bounded form of inter-sectoral cooperation and intertwinement.

There are important differences between the first line (creation of multifunctional land-use at the regional level through the juxtaposition of different enterprises that belong to different sectors) and the second one (integration of different branches into one and the same multifunctional enterprise). The latter approach faces far lower transaction and transformation costs than the former, which is an important benefit.

The widespread dissemination of multifunctional farm enterprises within the “green” regions of Europe provides an important cornerstone for theoretical elaboration. While it is widely recognized that rural regions need to move beyond agriculture, the *rise and massive dissemination of multifunctional farms shows that agriculture itself is moving beyond the limits of a strict specialization in the production of raw material for the food industries.*²³ Thus, the phenomenon of multifunctionality emerges as one of the cornerstones for the new theory on regional rural development²⁴.

Another important cornerstone can be found in changing rural development practices. As noted by Bernard Kayser (1995), rural regions contain ‘attractiveness’, which turns them into ‘areas of consumption’ (as opposed to areas of production only). The *‘repeuplement de la*

22 The concept ‘economy of scope’ refers to cost efficiencies realized by the joint production of several products and services within the same production process, making use of the same resources. ‘Economy of scope’ represents an alternative to ‘economy of scale’, the strategy of decreasing the cost price through scale-enlargement, specialization and intensification.

When applied to farming ‘economy of scope’ refers to the practice of multi-functional farming, practising a way of agriculture that (re)integrates a range of new functions and adds to the farmer’s income as well as to rural sustainability. At the farm level, multifunctional agriculture rests on two main pillars: the delivery of new rural services (as nature and landscape management, agri-tourism, care and educational facilities) and the production of extra value added. The latter is gained by responding to “(c)onsumers concerns with regard to the environment, animal welfare and health as well as growing consumer demand for regional specific products of high quality.”(Oostindie et al 2002).

²³ The importance of multifunctionality at the farm enterprise level (especially when it is strengthened through new regional networks) relates directly to the centrality of the ‘web’. Almost by definition multifunctionality equals to (and empirically triggers) new interrelations, positive externalities and new inter-level relations.

²⁴ While pluriactivity was, for many decades, an important linkage between the agricultural and other sectors, a linkage that helped sustain farming, multifunctionality is now increasingly emerging as another important linkage. Its importance partly resides in the fact that it considerably reconstitutes farming as a socio-technical practice: it shapes agriculture into a distinctive practice – one that is different from agriculture that relies on pluriactivity and highly different from farming shaped by ongoing processes of specialization, intensification and scale increase. It can be argued that multifunctional agriculture is better aligned with the needs of society as a whole.

campagne' (i.e. the process of counter-urbanization) is just one of the many expressions of this new tendency. The countryside in general, and (changing) agriculture in particular, offer a wide range of products and services that contribute to the quality of life, both in the countryside itself and also in neighbouring cities and metropolitan areas. This gives rise to new problems, such as how to remunerate the contribution that agriculture makes in providing public goods (such as attractive landscapes, biodiversity, accessibility, quietness, etc) and how to align the provision and supply of these public goods with other activities that threaten them.

A third important source for the development of a new theoretical framework of rural development is located in changing rural *policies*. Just a decade ago these were mainly (albeit not exclusively) limited to agricultural policies and to structural and cohesion policies aiming to redress lagging areas. Subsidies prevailed over investments and, as a whole, these policies tended to reduce the 'beneficiaries' to passive receivers of schemes developed elsewhere by others. All this has begun to change considerably, with the Cork and Salzburg Conferences on rural development being major milestones that established the basis for changing policy direction. Alongside the 'first pillar' a second policy domain was created to specifically facilitate rural development. The principle of subsidiarity has been translated into giving increased space for local participation and, to a degree, a democratization of rural policies. In the already quoted overview of the OECD, this aspect is referred to as representing a "paradigm shift".

'Place' (or 'territory') is increasingly replacing 'sector' as the focus of European interventions and support and there is a rapidly growing consciousness and body of experience about rural development at the regional level, with a broad spectrum of different regional policy programmes providing interesting possibilities for comparative analysis. Importantly, in several regions rural development is managed as a reflexive process, in which the outcomes are monitored, evaluated and discussed in order to continuously adapt the policy process²⁵. The flexible character of the RD framework at EU level strongly supports such practice.

The emergence of the region as new arena within which rural development is specified, constructed, contested, adapted, renegotiated, etc., underlines the need for a rural development theory that allows the *insertion of the regional specificities* so they can be met and strengthened (thus rural development theory definitively goes beyond any 'blueprint'). At the same time, rural development theory needs to be 'practice-oriented' and of relevance in finding appropriate solutions at the regional and local level, while simultaneously informing the (re-)formulation of rural development policies.

Relocating rural development theory in time and space

Rural development processes represent a wide and multi-dimensional range of reversals of long term tendencies; hence they represent a major transition. The ETUDE programme has particularly focused on two major types of reversals. The first, which has already been discussed, is about making the rural more attractive, more appealing, more relevant, etc., to society as a whole. The second is the reversal of the economic decline suffered by rural areas as a consequence of the squeeze exerted on agriculture. Rural development (especially the creation and further unfolding of multifunctionality at the individual farm level) is not only triggered by this squeeze; it is also a response to it. This type of rural development effectively

²⁵ In this respect it is important that several Member States (e.g. Italy) have experienced far reaching processes of decentralization that imply an important shift of responsibilities for rural development to the regional level. Equally important are the restitution processes in the United Kingdom and the long-established special policies in Nordic countries relating to sparsely populated areas.

reverses the tendency towards a declining value-added at both the farm enterprise and the regional level.

Another important reversal is related to the quality of life, which in rural areas has sometimes been under severe pressure as a consequence of large modernization projects. Landscapes have become degraded, biodiversity reduced, access reduced, the quality of food came under pressure, resources became contaminated, population declined and levels of service provision sharply reduced. The outcomes have included monotonous ‘segmented areas’, often (though not always) strongly degraded ‘peripheral areas’, inaccessible specialized agricultural areas and ugly and chaotic ‘suburbia’.

Rural development tends to reverse this tendency – both directly and indirectly. The quality of life is understood here as the simultaneous presence of, and coherence between, three axis. The first is a physical one that especially, but not exclusively, refers to the attractiveness, sustainability and accessibility of the landscape (or *habitat*). The second axis relates to social life: networks and shared sets of norms, rules and expectations that allow for, and facilitate, interactions and a ‘sense of belonging’ (in short: social capital). The third axis refers to economic life: to the availability of services and opportunities for earning a living.

In synthesis: our research is not interested in just any web of regional interactions, transactions, externalities, etc., but, rather, in *those* webs that positively translate into an improved quality of life and generate the required responses to the squeeze that rural economies are experiencing. This is especially the case when these positive contributions derive from enlarged endogeneity, increased novelty production, improved sustainability, strengthened social capital, new institutional arrangements and an adequate governance of relevant markets.