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Fulvio Rizzo

Co-evolution of Agriculture and Rural Development in Different Regional Institutional Contexts

Case Studies from Finland and Italy

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ABSTRACT

The main goal of this study has been to provide and elaborate new insights on the co-evolutionary role of agriculture and rural development in different institutional contexts, namely in North Karelia, Finland, and in South Tyrol, Italy. The multi-causal knowledge produced by the empirical data is dependent on and at the same time inclusive of the historical, cultural, and socio-economic institutional context of the two regions under scrutiny. Although both North Karelia and South Tyrol have to a varying degree experienced processes of deagrarianization, modes of agricultural production and rural development – as well as their co-evolution – have taken fairly different paths. Within the context of a dominant modernist/post-productivist discourse, in North-Karelia agriculture and rural development are to a large extent segregated; in South Tirol instead agriculture and rural development mutually support each other and they are grounded on an alternative discourse based on regional autonomy.

The two case studies are clearly dominated by specific sets of social structures which have limited and/or enabled rural agents. At the same time, key human and social agents have had a powerful influence in shaping and guiding the overarching social structures. In respect to geographical contingency, LEADER partnerships in North Karelia and South Tyrol have taken fairly different forms and range of action, with diverse actors dominating others. Beyond the strengthening of cooperation among rural agents (both social and human), these partnerships have resulted in forms of social exclusion; such exclusion has either emphasized, or on the contrary tried to constrain, the action of the public sector (municipalities), and indirectly, the action of representative democracy. In the two case studies, it is assumed that either direct or representative democracy is the most appropriate way of handling rural development.

Key words: agriculture, rural development, rurality, LEADER, territory

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ABSTRAKTI

Tutkimuksen päätavoite on tarkastella ja eritellä sitä, miten maatalous ja maaseudun kehittäminen liittyvät ja vaikuttavat toisiinsa kahdella institutionaalisesti erilaisella alueella, Pohjois-Karjalassa ja Etelä-Tirolissa Italiassa. Tutkimuksen empiiriset aineistot ymmärretään näissä erityisissä historiallisissa, kulttuurisissa ja sosio-ekonomisissa konteksteissa syntyneiksi ja tuotetuiksi. Vaikka maatalous on menettänyt merkitystään elinkeinona sekä Pohjois-Karjalassa että Etelä-Tirolissa, maatalouden tuotantomuodot ja maaseudun kehittäminen – kuten myös näiden keskinäiset suhteet – ovat erkautuneet näillä alueilla varsin erilaisille kehitysurille. Pohjois-Karjalassa maatalous ja maaseudun kehittäminen nähdään pääosin toisistaan erillisinä toimintoina ns. modernistisen tai post-produktionistisen diskurssin mukaisesti. Sen sijaan Etelä-Tirolissa maatalous ja maaseudun kehittäminen liitetään läheisesti toisiinsa, minkä perustana on alueellista autonomiaa korostava ns. vaihtoehtoinen diskurssi.

Tapaustutkimukset havainnollistavat sitä, että molemmilla tarkasteltavilla alueilla on erityiset sosiaaliset rakenteensa, jotka määrittävät ja mahdollistavat maaseudun toimijoita. Nämä toimijat muovaavat ja ohjaavat puolestaan ratkaisevasti sitä, millaisiksi sosiaaliset rakenteet muotoutuvat. Maantieteelliset erityispiirteet ovat nähtävissä siinä, että LEADER-kumppanuudet ovat varsin erilaisia Pohjois-Karjalassa ja Etelä-Tirolissa. Toimintaryhmätyön myötä maaseudun toimijoiden yhteistyö on vahvistunut, mutta toisaalta kumppanuudet ovat joko korostaneet paikallishallinnon (kuntien) roolia tai pyrkineet rajoittamaan sitä ja samalla epäsuorasti heikentäneet edustuksellisen demokratian asemaa. Molempien tapaustutkimusten perustana on näkemys, että maaseudun kehittämistyön tulee perustua joko suoraan tai edustukselliseen demokratiaan.

Asiasanat: maatalous, maaseudun kehittäminen, maaseutumaisuus, LEADER, alue

Foreword

> "The land is full of consultants, advisers, training institutes, courses, programs, all kinds of utopians, who while picking society's pockets are carrying water to the empty well of the countryside" (Folklore Archives of the Finnish Literature Society, Union for Rural Education 4672, in Silvasti 2009, 28).

I would like to take the opportunity to thank those who have contributed to the achievement of this work. Firstly, I am grateful to the pre-evaluators Professor Hannu Katajamäki (who has agreed to be the official opponent in the public examination), and Professor Heikki Jussila for their valuable comments and suggestions. I also wish to thank my supervisors, Professor Markku Tykkyläinen (who has agreed to be the custos in the public examination) and Professor Heikki Eskelinen, for their full and complementary support, advice, and help throughout the research process. Among their countless merits, which have been the key to the accomplishment of this study, I thank Markku for having taught me how to structure and balance the various sections of an academic work, and I thank Heikki for having provided me with multiple insights on the Finnish and North Karelian case study.

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Joensuu, December 2011

Fulvio Rizzo

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1 Introducing the Notions of Agriculture and Rural Development

1.1 RESEARCH AIM AND QUESTIONS

Within rural studies, Hubbard & Gorton (2011, 80) claim that a relevant debate focuses on making the appropriate choice between different models of rural (economic) development, as well as on the role of rural development policy in promoting economic growth in rural regions. Furthermore, governments are increasingly concerned about the coherence of agricultural and rural development policy and policy makers need to increasingly understand the links between agriculture and rural economies, and the different role played by agriculture in OECD rural areas (Sallard 2006, 22).

In this light, Saraceno (1999, 440–452) remarks that local factors and context have a considerable significance in understanding which policies are appropriate and where; development processes involve a variety of factors that are contingent to geographical space and time. Similarly, Neil & Tykkyläinen (1998, 19) claim that "…the investigation of geographical variation in development can fundamentally enrich theory, reinforcing the idea that a broad, globally applicable theory must have a geographical basis". Thus, a focus on case studies at the sub-national level is needed to reflect on the feasibility of constructing a globally applicable theory of rural development. For instance, Ray (2000a, 165–166) argues that the adoption of the EU LEADER Programme – as a pan-EU laboratory policy – has involved, on the one hand, the design of general guidelines for the use of funds and, on the other hand, local discretion in implementation.

The main aim of this study is to provide and elaborate new insights on the co-evolutionary role of agriculture and rural development in different regional institutional contexts. The regions under investigation are North Karelia in Finland and South Tyrol in Italy (Figure 1). On the basis of grounded theory methodology, comparative methodology, and discourse analysis methodology, perceptions and governing structures of the 'rural' – seen as a hybrid, ambiguous, and networked space – are elicited by interpreting the dynamics of interaction between agency, structure, and social chance (Sibeon, 1999, 2000).

Agency refers to both individual human actors (which in this study refer to a variety of actors located mostly in rural as well as urban areas), and social actors, i.e. governmental and non-governmental actors, such as LEADER local action groups. Social structure refers to the social conditions which may limit or enable agents; these include discourses, institutions, individual and social actors, network and power distributions. Social chance involves unforeseen consequences of actions, in particular unpredictable consequences resulting from actor-actor interaction, including, as Sibeon (1999, 142) remarks, those actors "at the mezo or inter-organisation level, interaction between social ['organisational'] actors in policy networks".

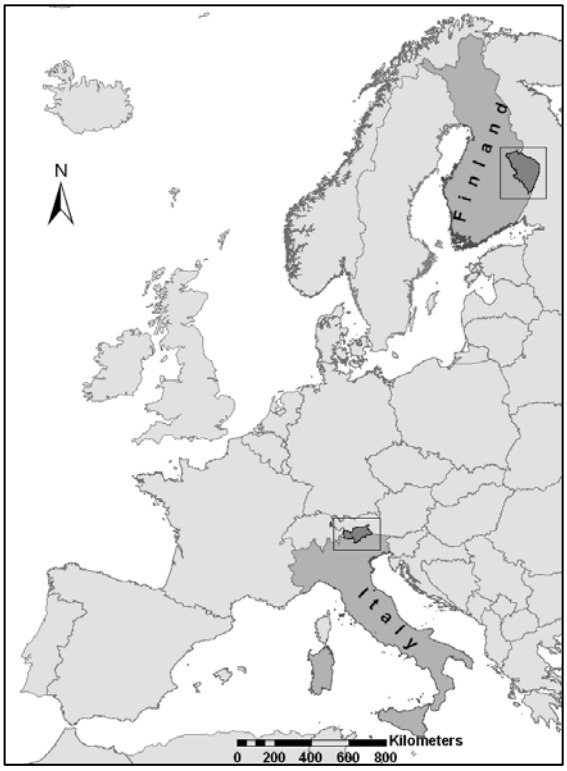

Figure 1: Location of North Karelia and South Tyrol

On the basis of such 'interpretivist' ontology and methodology, the co-evolutionary role of agriculture and rural development in different regional institutional contexts – formal and informal institutional contexts including administrative, economic, and socio-cultural institutions – is tackled both historically and in the contemporary era. Silverman (2006, 16) argues that when generating a research problem, it is important to have a 'historical sensitivity', which means that historical evidence should be examined whenever it is feasible. In this light, what region-building processes have characterized the two areas

under investigation? How have such processes affected the co-evolutionary role of agriculture and rural development in these two European regions? Spencer & Stewart (1973) state that 'land' has been the foundation of all agricultural operations in earlier periods. As a result, three key dimensions – which have a strong impact on the evolutionary development of any agriculture system – have been chosen to be investigated in this work. Firstly, how have agricultural policies co-evolved with rural development policies in the broader national contexts of these two regions? Secondly, what has been the historical role of farmers in these two societies? Thirdly, how have farm structures evolved in the two regional settings and what are their main characteristics?

As for the contemporary era, the social, cultural, and economic arena of analysis for the main aim of this study is given by LEADER pan-EU laboratory policy. Within such an arena, the following research questions have been targeted: 1) Who are the key actors, and what is the structure of their power relations within the local action groups of *Joensuun Seudun LEADER Ry* and *Vaara-Karjalan LEADER* in North Karelia, and *LAG Wipptal/GAL Alta Valle Isarco*, *LAG Sarntal/GAL Sarentino*, and *LAG Tauferer Ahrntal/GAL Valli di Tures e Aurina* in South Tyrol? 2) What is the relation between the public and private sector, and how has such a relation affected the inclusion of agriculture within the LEADER integrated policy? The period of the greatest focus is the LEADER+ Programme 2000–2006; however, in order to perform an exhaustive investigation concerning the research questions, the analysis includes the current period 2007–2013 and touches on previous programming periods. The investigated elements represent "geographically contingent conditions, which are operational under specific (geographical) circumstances" (Tykkyläinen 2008, 11). In order to better understand the nature of the research aim, and the research questions, the key goal of this chapter is to give an overview both of the structural changes in agriculture (which have been the result of the shift from a subsistence economy to a market economy) and to introduce the (disputed) notions of agriculture and rural development, including the LEADER policy programme.

1.2 THE DISINTEGRATION OF PRE-MODERN RURALITY AND STRUCTURAL CHANGES IN AGRICULTURE

> "Our technological civilization, in the rush to build a second artificial nature, is progressively uprooting itself from the territory, treating it as an insignificant surface and burying it with objects, works, functions, wastes, and poison. The territory, as a human environment, is moribund: our model of civilization has stopped taking care of it, apart from growing technological prostheses" (Magnaghi 2010, 18).

In the last 200 years or so Western Europe has experienced deep social, economic, and technological changes which have occurred at different stages in different parts of the 'old' continent (Cruickshank 2009). These epochal changes have been the result of the collapse of the traditional order in Europe: "in the modern era, men no longer accept the conditions of life into which they are born as necessarily given for all time, but attempt to impose their will upon reality in order to bend the future into a shape which conforms to their desires" (Giddens 1971, xi).

The shift from a subsistence economy to a market economy has led to the disintegration of pre-modern rurality, on the one hand, and to the emergence and dominance of urban culture, on the other (Cruickshank 2009). Pre-modern rurality was characterized by extremely distinct rural properties; Mormont (1990, 21) argues that in the past rural communities were relatively autonomous from urban societies; their dominant mechanisms were given by family, village and the land. Furthermore, research had a strong *Gemeinschaft* orientation (see Tönnies 1957), with an emphasis on concepts such as internal solidarity, kinship ties and generational continuity (Marsden et al. 1990). On the other hand, increasing urbanization, which is typical of the contemporary era, is a phenomenon that in regard to speed and dimension has never occurred in history (at the beginning of the 19th century only 3% of the world population lived in urban centers); such a phenomenon is exacerbated by an exponential growth of the world population. According to forecasts by the United Nations, in the second quarter of the 21st century 62% of the world population will live in metropolitan centers and megalopolises. At the global level, every year more than 50 million people move from the countryside to urban centers. In Italy for instance, 54% of the population is concentrated in metropolitan urban areas, which represent 11% of the national territory (see Magnaghi 2010).

Within the disintegration of pre-modern rurality, Hennessy (2007, 468) claims that in the last century agriculture witnessed structural changes in higher income economies, including, for instance, geographic production shares, larger scale, a more intense throughput, and the way in which animals are being grown. The phrases 'factory farming', and 'industrialized agriculture' depict these structural changes very well. Due to the industrialization process, agriculture has progressively shifted to a declining role in terms of income, and full-time employment in many areas of Europe (see for instance OECD 2006, 39). Similar developments in de-agrarianization (intended in this case as occupational adjustment; see Bryceson 1996; Hubbard & Gorton 2011) have been recorded in all industrialized countries, both European as well as non-European. While in the mid-1800s agricultural employment reached percentages that varied between 70% and 80%, as early as the beginning of the 1900s these values declined to 40% or 50% (with the exception of Great Britain, where the decline reached 10%) (Lizzi 2002, 20). In the period 1983–2003 covered by OECD data, agricultural employment sharply declined in all countries. The drop included

not only those countries where agriculture represented a very significant share of overall employment (for instance, Turkey, or Greece) but also countries such as the United Kingdom and the United States, where in 1983 relatively low levels of employment in agriculture had already been recorded. Within the 27 Member States of the European Union, according to 2008 data, agriculture accounts for 5.4% of total civilian employment, while in the EU 15 this percentage decreases to 4.3%. In Finland and in Italy, of the total civilian employment, agriculture accounts for 4.6%, and 3.8%, respectively (Directorate-General for Agriculture and rural development 2010). During the period 2000–2009, agricultural employment witnessed a decrease of 21.8% in Finland and 15.9% in Italy (Eurostat 2010).

The origins of the economic decline in European agriculture (in terms of income and full-time employment) are debated among scholars: some explain this decline in terms of the consequences of industrialization; others, however, trace it to more recent discourses related to rural restructuring, which are the most common arguments of contemporary social science (see for instance Collantes 2009). In respect to the longer perspective of industrialization, Strassoldo (1996, 16) claims that instead of the physiocracy of the 1700s – an economic theory which considered agriculture as the absolute protagonist and queen of the economy – at the end of the 1800s the idea that agriculture was an intrinsically weak sector became prevalent, especially in comparison to other sectors such as transport and industry; as a result of being 'ill', the agricultural sector was in need of constant protection and support.[1] Whether real or assumed, the intrinsic weakness of agriculture was identified in the organizational and working specificities of agricultural activity (for example, biological processes are far more complex, and, as such, more difficult to control, than mechanical-industrial processes; see Strassoldo 1996), of the food market, as well as of the agricultural-peasant world as a social sub-system of its own (Lizzi 2002).

From a historical long-term point of view, the decelerating economic growth of agricultural societies can be explained by the development of exogenous technology, which has altered the production function. Technology development includes all types of expertise, skills, and tools, where the goal is to improve agricultural production (Kim et al. 2010). Moreover, looking at agriculture through an exclusive economic point of view, Kim et al. (2010, 481) claim that "…the expansive reproduction of an agricultural society is impossible because of the limited demand for agricultural products where, at a certain level, demand will not show further increases". Agricultural products are characterized by inelastic prices and income responsiveness; the inelasticity of

[1] In 1898, for instance, the Tyrolese deputy and regional Councilor Ämilian Schöpfer claimed that the enemy of the farmers class was the dominance of "ubiquitous big capital", which could be opposed through a policy favouring farmers and self-help (agricultural cooperation) (see Pichler & Walter 2007, 71).

demand for agricultural products implies that even though the national per capita income in a society increases, the demand for agricultural products does not grow accordingly. Some scholars who have studied the economic growth of agricultural societies argue that a pure agricultural society shows signs of inefficient economics, and in the long run it experiences a decreased speed of growth. This view is for instance supported by Fisher and Clark's structural change hypothesis. An agricultural society is always the precondition for industrialization; as the economy grows larger, labour and investment shift from the primary sector (agriculture, mining, and forestry) to the secondary (manufacturing and construction), and eventually to the tertiary (service, commerce, transportation) sectors (Kim et al. 2010, 489). Bryceson (1996, 98) has claimed that from the era of Adam Smith to the present-day the development of non-agricultural activities has been mostly interpreted on the basis of the mutating relationship between agriculture and industry.

1.3 THE ROLE OF AGRICULTURE IN THE CONTEMPORARY ERA

> "Getting to know agriculture is a way of obtaining justice, from a historical point of view, for the role of the peasant world in the building of contemporary society, the latter so radically different from the former" (Strassoldo 1996, 14).

The first experiences of public intervention in agriculture date back more than a century, while the juridical and custom norms by which modern states have regulated land property, the distribution of common lands, and the abolishment of feudal slavery date back to even earlier times. However, it is from the deep crisis of 1929, and, above all, starting from the end of the Second World War, that all countries of the industrialized West have devoted massive and constant attention to agricultural policies (Lizzi 2002). In spite of the steady and overall decline in economic and employment terms, in the countries that belong to the Organization for Economic Co-operation and Development (OECD) the agricultural sector still receives a substantial amount of public resources (Sallard 2006, 22). Lizzi (2002, 14) claims that no sector of public intervention has ever received such a high degree of attention, resources, and privileges, imposing costs in favour of a smaller and smaller segment of society, a sector which has become marginal in the economic point of view. What is more, agriculture, as a dominant economic activity of the ancient and modern world, as a strategic sector in the contemporary period for the production of food as well as for its relevance in international commerce and for environmental implications, has always occupied a relevant position in the agendas of governments (Lizzi 2002, 14).

An important aspect that characterizes contemporary agriculture is its links with the financial sector, with specific reference to the large industrial

companies of commercialization and transformation of agricultural products (from the slaughterhouses of Buenos Aires and Montevideo to multi-national companies such as Unilever, Nestlè, or Parmalat). Another aspect of contemporary agriculture is that in high income economies the assumed link between human beings and the land has for the most part been eliminated. Increasingly, agricultural work is executed by migrant workers, who usually come from countries with a large rural population (Corazziari 2009). [2]

In the past twenty years or so, the industrialization of agriculture has contributed to the emergence of two competing patterns both at the European Union level and at the global level. On the one hand, a push towards the liberalization of agricultural trade has emerged, facilitated by an increased corporate control of the global food chain (Dibden et al. 2009). Within such a pattern, agricultural production is decontextualized from local ecosystems and regional societies (Van Der Ploeg 2008, 4–6); current patterns of accumulation are leading to an overall degradation of landscapes, biodiversity, and the quality of food; furthermore, they are producing high levels of both urban and rural unemployment, and they are responsible for an increasing number of epidemics such as mad-cow disease, bird flu, swine flu, etc. due to poor animal welfare. At the same time, a deactivation phenomenon (which implies that levels of agricultural production are actively contained or even reduced) has been going on for decades in Africa, and is also affecting the European Union, although still to a minor scale (for instance, deactivation occurs close to large and expanding cities as well as being a result of quota systems, several environmental programs, etc.) (Van Der Ploeg 2008). [3]

In contrast, the second pattern resulting from the industrialization of agriculture is centered "on the construction and reproduction of short and decentralized circuits that link the production and consumption of food, and more generally, farming and regional society" (Van Der Ploeg 2008, 3). The marker of the latter pattern is the concept of multifunctionality, which has become increasingly common for those who challenge the neoliberal project regarding agriculture; the term multifunctionality links together a series of assumptions regarding both the role of agriculture beyond the production of food and fibre, and the responsibility of governments in supporting this role (Dibden et al. 2009, 304). This multifunctional approach embodies the "European model of agriculture":

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[2] In Italy for instance, rural migrants have different origins according to their type of job, whether it is seasonal or permanent. Seasonal workers come from the Mediterranean countries, including Tunisians and Moroccans, while permanent workers come from the countries of Eastern Europe (especially Romania), and India (Corazziari 2009).

[3] According to Van Der Ploeg (2008, 8), "globalization and liberalization (and the associated shifts in the international division of agricultural production) will introduce new forms of deactivation that will no longer depend upon state interventions, but which will be directly triggered by the farmers involved".

> "the fundamental difference between the European model and that of our main competitors lies in the multifunctional nature of agriculture in Europe and in the role it plays in the economy and the environment, in society, and in the conservation of the countryside; hence, the need for maintaining agriculture all over Europe and protecting farmers' incomes" (Commission of the European Communities, 1998, 5).

Thus, within the latter perspective, the agricultural sector is viewed as an important instrument for preserving the social and cultural landscape of rural regions, particularly to sustain rural communities, food security, and safeguard the natural environment (Dibden & Cocklin 2007 in Dibden et al. 2009; Lizzi 2002).

1.4 THE NATURE OF CONTEMPORARY RURAL AREAS

To a general extent, rural areas are characterized by low population densities, and by relatively extensive land use such as agriculture and forestry. In spite of these broad characteristics, rural areas are fairly diverse in terms of physical geography as well as socio-economic conditions (Baldock et al. 2001). As Halfacree (2006, 45) claims, any discussion or investigation of the rural (or rural space) cannot be disconnected from the issue of geographic sensitivity.

Until very recently, the spatial category of 'rural' was synonymous to agriculture, and at the same time opposed to the urban, which in turn was associated with industry and service activity (Saraceno 1994). For a careful inspection, however, such argumentation is quite trivial and superficial; Saraceno (1994, 452) argues that the coincidence between space and a certain sector of activity has been more the exception than the rule: "in all preindustrial societies, rural economies were mixed and after industrialization a clear division of labour between the city and the countryside was never completely achieved for several reasons, even if in early industrialized countries such polarization is more evident". Lately, because of the change in the urbanization trends of population and employment, the heterogeneity of rural areas has increased even further, and according to the current dominant ideology rural areas are more and more conceived as places for living and for leisure. Baldock et al. (2001, 19) state that "as people move beyond concerns with material security and embrace quality of life issues, they place increasing value on the opportunities rural areas provide for living space, recreation, the enjoyment of amenity and wildlife, and a wholesome and pleasant environment". These trends take place in the most advanced economic regions of the EU, where large, middle-class commuter areas are present, as well as in attractive so-defined 'peripheral' areas, which are increasingly developed by means of tourism, second homes, retirement purposes and nature protection. Within the discussion on the 'production/consumption' countryside, the current debate on European rural

areas includes key issues of economic development, such as the lack of basic services and infrastructure, as well as issues linked to their general social impoverishment (Baldock et al. 2001).

The diverse nature of rural regions in the EU raises questions about the causes of their varied economic performance (Terluin 2003). Tykkyläinen (2011, 1) claims in such regard that "the explaining of development as originating from a multifaceted web of factors reveals the contextual processes of the development and restructuring of communities and regions". Terluin (2003) states that to a major extent the driving forces which characterize the different economic performance of rural areas are interpreted in terms of the interrelationship between local and global forces; within this interplay, territorial dynamics, population dynamics and the current globalization process represent the main assumptions of what has been defined as 'rural restructuring'. Concerning territorial dynamics, the OECD (1996, 10) notes that they include "aspects such as regional identity and entrepreneurial climate, public and private networks, or the attractiveness of the cultural and natural environment". Population dynamics include not only natural increase, but also migrants (who can be economically active), retirees, or returning migrants. The third factor, globalization, has taken the form of economic, social, political, and environmental changes, such as the increased mobility of capital, fragmentation of the different stages of production, narrowing of distances as a result of developments in the communication and transportation technology sector, geopolitical changes (such as the end of the Cold War, the United States vision of the world economic order (Agnew 2001)), the top-down led 'integration' of European states), and trade liberalization negotiations (Terluin 2003).

The globalization process has contributed to an intensification of connections and social interdependencies (or, it has led to a "compression of time and space", see also Agnew 2001; Harvey 1989). According to Terluin (2003), Bor et al. (1997) argue that variation in local responses depends on the structural and institutional make-up of the community, its history, local leadership, and how the effects of restructuring are interpreted. Thus, rural localities are not entirely interchangeable; development manifests itself in different ways and has increasingly become a localized phenomenon (Ettlinger 1994), concentrating in some areas rather than others. Local societies do not have identical structures because of a variety of factors such as economic functions, social organization, power articulations, and specific cultural traditions (Sivini 2006). Another important factor to be considered is the importance of the national level, being the most important distributor of resources for public infrastructure, social security, education, etc. In sum, rural restructuring should be interpreted in terms of an interaction between the global and the local, filtered through national factors (Terluin 2003, 328).

1.5 THE 'NEW RURAL PARADIGM' AND THE DISPUTED NOTION OF RURAL DEVELOPMENT

> "Rural development is on the agenda precisely because the modernization paradigm has reached its intellectual and practical limits. Perhaps the most dramatic expression of this has been the growing squeeze on agriculture and therefore the rural economy in general" (Van Der Ploeg et al. 2000, 395).

In order to address the wide range of opportunities and threats faced by contemporary rural areas, since the early 1990s major shifts in policy-making at the EU level have led to an increasing consideration of the diversification of the rural economy beyond primary production, as well as to highlighting a territorial and integrated approach, the participation of several levels of the public administration, and the involvement of local people and organizations (Saraceno 1999, 439). This new trend in EU policies concerning rural areas has been defined by the OECD (2006) as the 'new' rural paradigm.

The 'new' rural paradigm is associated with the notion of rural development, which has emerged from competing discussions concerning agriculture and the countryside (Van der Ploeg et al. 2000, 391). Van Der Ploeg et al. (2000) argue that a comprehensive definition of rural development does not exist: it is a disputed notion, in terms of practices, policies, and theories. Shortall (2004), for instance, states that rural development is synonym for civic participation, with a holistic view of development and with a local approach; at the same time, rural development can be viewed in terms of the welfare state's withdrawal from providing public services, regarding the increased responsibility of voluntary workers, and what is more, in respect to "the generation of partnerships of dubious democratic legitimacy that exist alongside local government" (Shortall 2004, 109). Furthermore, two key contrasting views on rural development seem to emerge (Van Der Ploeg et al. 2000). Some key players see it as a process that will result in the removal of peasants; such a view may recognize that "peasants may still exist in remote places, typically in developing world countries; but they will, for sure, disappear as progress marches on" (Van Der Ploeg 2008, xiv). According to this perspective, peasants will be gradually replaced by the creation of alternative sources of livelihood. Others in turn view rural development as a process where the goal is to revitalize agriculture, whereas "the grassroot processes of rural development that are transforming the European countryside may be interpreted as different expressions of repeasantization, which is a modern expression indicating the fight for autonomy and survival in a context of deprivation and dependency" (Van Der Ploeg 2008, xvi-7). The latter view, which is to a large extent supported by this study, is in contrast with the core of both Marxist and modernization approaches, which interpret the peasant as disappearing and which ignore, to a

large degree, the empirical development trajectories of agricultural sectors in both the center, and the periphery (Van Der Ploeg 2008, xvii).

Throughout Europe, rural development has taken different paths embodying different local and regional responses to the modernization paradigm. Rural development can be conceived as a multi-dimensional process (Van der Ploeg et al. 2000); the first level of this process is provided by the global interconnections between agriculture and society. Agriculture has to upgrade and reorganize itself to meet the rapid transformations of European society; new needs and expectations include agriculture's ability to promote a series of so called 'non-importables' or 'public goods', such as beautiful landscapes and natural values. On the global scale, rural development is also a response to the overall restructuring of the economy, which has deeply redesigned the types of links between society and firms; increasingly, firms adopt flexible types of organization rather than economies of scale and vertical integration. Second, rural development should be thought of as "a new developmental model for the agricultural sector", which goes beyond the earlier modernization paradigm. Whereas until the early 1990s modernization promoted scale-enlargement, intensification, specialization and, within some sectors, a strong tendency towards industrialization, "in the new rural development paradigm mutual benefits and 'win-win situations' between different activities appear both strategic and desirable" (Van Der Ploeg et al. 2000, 393), avoiding a segregation between agriculture and other rural activities. Third, rural development can be put into practice at the level of the individual farm, for instance, investigating how farming should be conceived within the context of new links between town and countryside. Fourth, rural development should also be defined at the broader level of the countryside, along with its (economic) actors. Even though the significance of agriculture varies considerably between the rural economies of the European countries, the rural is not the exclusive monopoly of farmers. Fifth, rural development should be investigated at the level of policies and institutions; not only there is a great variety of rural development policies and programmes at the European Union level, such as LEADER, but also each European country has a different institutional setting with different national and regional programmes. Key issues concern the coherence and synergy between the different types of programmes, as well as the influence of institutional settings on rural development processes (Van Der Ploeg et al. 2000, 392–393).

The rhetoric of endogenous development – which "subscribes to a belief in the inner capacity of people in a locality to discover within themselves and their locality the means for the improvement of their socio-economic well-being" (Ray 2000b, 447) – may, on the one hand, reinforce the notion of rural development as a multi-actor process; on the other hand, it may trigger mechanisms of social exclusion: local elites at times exploit policy programmes to restore their legitimacy or further the interests of clientelism (Van Der Ploeg et al. 2000, 393). Finally, rural development is multi-faceted in nature. It promotes a wide

spectrum of different and sometimes interconnected practices, such as landscape management, the conservation of nature values, agri-tourism, organic farming, and the production of high quality and region-specific products. Because of its multi-level, multi-actor and multi-faceted nature, rural development concerns not only different interests and contradictions, but is also the result of the interests and contradictions that characterize the levels discussed above; furthermore, rural development can be interpreted as a response to the squeeze that followed the modernization of European agriculture. The Gross Value of Production (GVP) grew from the 1950s until the late 1980s, and then started to decline. At the same time, during the same period external costs have increased (not only expensive technologies but also environmental concerns), determining the so-called squeeze on agriculture. As a consequence of this squeeze, "rural development is reconstructing the eroded economic base of both the rural economy and the farm enterprise" by searching for new revenues, and at the same time trying to reduce the costs within the agricultural sector (Van der Ploeg et al. 2000, 393–395).

Within rural development discourses and rhetoric, strengthening the rural economy is often linked to the introduction of new, non-agricultural enterprises: "There is an entrenched assumption that the agricultural sector is incapable of generating rural renewal[4]" (Van der Ploeg et al. 2000, 401). Nevertheless, Van der Ploeg at al. (2000, 401) reject this notion that rural development can proceed through the exclusion of agriculture. In fact, "rural development can be constructed very effectively using the innovativeness and entrepreneurial skills present in the agricultural sector itself".

Of course, the changed role of agriculture implies the need to reconceptualize the farmer, who is increasingly represented as an agrarian entrepreneur. "Although coalitions with new rural dwellers, urban consumers, and environmentalists, for example, are certainly necessary, farmers will continue to be the focus of such rural coalitions and arrangements" (Van der Ploeg et al. 2000, 404). Although the view of Van der Ploeg et al. (2000) overemphasizes the role of agriculture and farmers both within rural development and within the broader context of the countryside (perhaps ignoring contextual contingencies), their idea clearly notes the importance of linking rural and agricultural activities and the multi-faceted nature of rural development. Bryden (1994, 388) also sees things in a similar way, claiming that the importance of agriculture has to be contextualized in a diversified rural economy, and a wider rural policy framework, and not simply within the food production sector.

In a recent OECD work on the policy coherence between agriculture and rural development, three main ideas have emerged. The first argument is that "agricultural policy has a modest impact on the future viability of rural areas" (Sallard 2006, 23). Agriculture does not have a relevant influence on rural

[4] Initiatives of rural renewal by farmers are for instance discussed in Broekhuizen et al. (1997).

development in financial terms; a large portion of the resources channelled to agriculture are not for rural areas. Additionally, those resources that go to rural areas support only a very small share of the rural population. Further, agricultural policy mainly concentrates on one of the many features that characterize rural areas. The second element is that "a one-size-fits-all approach to rural policy doesn't exist. The heterogeneity of rural areas' challenges and potentials call for tailor-made policies" (Sallard 2006, 23). For this reason, there is the need to focus on places rather than sectors, and therefore on integrated policy which answer to different situations. The third element is that governance is crucial. One of the main challenges faced by governments in OECD countries is how to design and deliver rural policy. In particular, "innovative frameworks need to be set up to ensure vertical coordination across government levels but also horizontal co-ordination at both central and local levels" (Sallard 2006, 23).

Similarly to Van der Ploeg et al. (2000), one of the ways to summarize the debate concerning rural development could be the one sketched in Figure 2. To what extent rural development practices, as opposed to sectoral practices, have the ability to slow down a type of agriculture which is increasingly, and to a large extent decontextualized from local ecosystems and regional societies? On the basis of the case studies of North Karelia and South Tyrol, this study discusses where and under what circumstances the "European model of agriculture" can be accomplished.

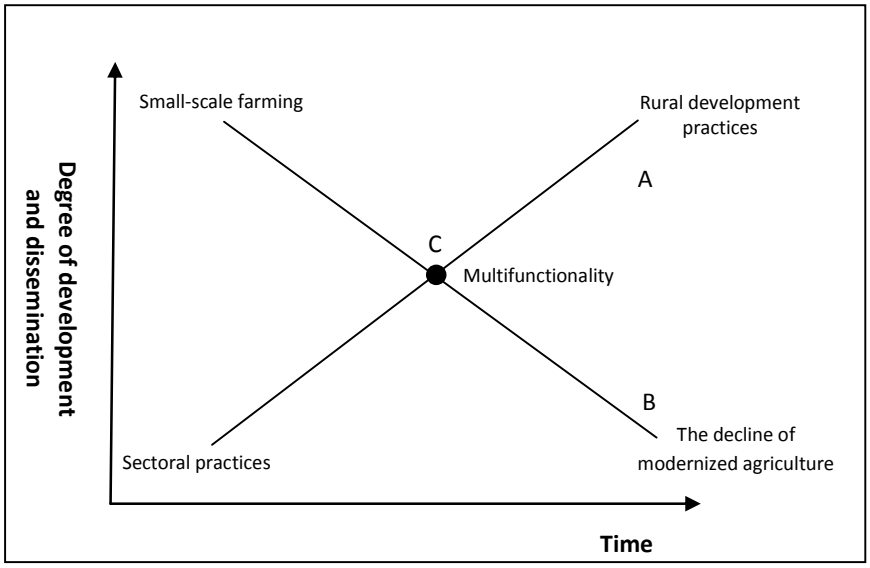

Figure 2: A hypothetical sketch of the relation between agriculture and rural development
Source : Van der Ploeg et al. (2000, 405) (modified version)

1.6 THE EU AND LOCAL RURAL DEVELOPMENT

Chronologically speaking, the "European model of agriculture" can be conceived as the combined result of major renovations that occurred in the first stage of EU regional policy (starting in the late 1980s), and in the second stage within the Common Agricultural Policy (CAP; starting in the early 1990s). Based on the 'new ethos' related to the endogenous ('bottom-up, 'participative', 'community') hypothesis of socio-economic development, in 1988 the EU gave notice of a change in the use of Structural Funds; in place of the sectoral approach, interventions had to target territories – including rural areas – characterized by specific socio-economic disadvantages. Local rural development has since emerged as an important element in the economic agenda of the European Union (Ray 1997). Such measures reinforced the Commission's influence on rural/regional development policy through its authority to set eligibility criteria for these local rural development plans, while the local level obtained greater access to policy processes, having a direct link to the Commission. The goal of the 'new' endogenous development approach was to envisage rural areas as entities of trade competing within the European, and wider, economy. On the one hand, resources had to be as local as possible; on the other hand, the primary achievement was to achieve EU convergence and cohesion within the Single Market through economic growth (Ray 1997, 348).

A document published by the EU Commission in 1988 – *The Future of Rural Society* – established the main principles that characterized the new approach. Rural areas could be eligible either as Objective 1 ('lagging regions' with a per capita GDP of 75% or less of the EU average) or Objective 5b (fragile rural economies dominated by agriculture and in need of rural development assistance). A further type of rural area for the northern parts of Finland and Sweden was later added (Objective 6) (Ray 2000a). The focus on rural development was also confirmed by the European Commission (1996, 2) at the Cork Conference: "rural development policy must be multi-disciplinary in concept and multi-sectoral in application, with a clear territorial dimension". The European Commission (1996, 3) further emphasized that:

> "given the diversity of the Union's rural areas, rural development policy must follow the principle of subsidiarity. It must be as decentralized as possible and based on a partnership and cooperation between all levels concerned (local, regional, national and European). The emphasis must be on participation and a 'bottom-up' approach which harnesses the creativity and solidarity of rural communities. Rural development must be local and community-driven within a coherent European framework".

The Common Agricultural Policy – established in 1957 with the goal of promoting food auto-sufficiency and development – has also been deeply restructured since the early 1990s; the first relevant reform occurring in those

years was the MacSherry reform in 1992, which agreed on reducing intervention prices, as well as on gradually disengaging subsidies from the levels of production (Bozzini 2009). The Agenda 2000 reform – started in July 1997 through the Commission report *Agenda 2000: for a stronger and wider Europe* and finalized in the winter of 1998–1999 – further disjoined farm subsidies from production, and, above all, raised the status of rural development (Moyer & Josling 2002). The Common Agricultural Policy was structured in two pillars: the first pillar concerns the Common Organization of the Markets (COM), and has as a goal the support of farmers' income; the second pillar in turn refers to rural development and agri-environmental measures, and thus supports agriculture as a producer of public goods (such as environmental quality and landscape), fulfilling the principle of multifunctionality. In financial terms, the two pillars are not balanced; the first pillar gathers 80% of the CAP resources and the remaining 20% is devoted to rural development (Moyer & Josling 2002; Bozzini 2009).

1.7 THE LEADER APPROACH

Within the setting of the reforms which spanned regional policy to the Common Agricultural Policy, the EU Commission also introduced its own pilot interventions or 'Community initiatives', of which the rural development version was LEADER (*Liaison Entre Actions de Développement de l'Economie Rurale*) (see Ray 2001). Kovách (2000, 182) considers such a programme as "an advanced model of rural policy, for it is within its ideology and practice that we can trace the dynamics of CAP reform and the raw material of a new rural policy regime". LEADER was introduced in 1991 for a three-year period and was extended in 1995 by an expanded five-year version, LEADER II, and later by LEADER+ (2000–2006). LEADER I (1991–93), LEADER II (1994–99), and LEADER+ (2000–06) were financed by EU Structural Funds, and Member States and regions had separate LEADER programmes funded separately by the European Union. On the basis of the 2003 and 2004 reforms of the Common Agricultural Policy, Council Regulation (CE) no 1698/2005 established that, for the current 2007–2013 period, the LEADER method is one of the axes of the European Agricultural Fund for Rural Development. As a result, LEADER is no longer autonomous, but has been incorporated into national and regional rural development programmes, alongside other rural development axes. The adoption of the LEADER Programme started as a voluntary policy; it was up to the Member States to decide whether to apply for it or not. Being a completely new procedure and way of thinking for several of them, LEADER was often regarded as disruptive to the local administrative culture, and at the same time an unappreciated intrusion by the EU at the national level. In the end all the

Member States applied, even though with different degrees of support (Saraceno 1999, 444).

Several features characterize this rural development method. It has to follow a locally-based approach, which means that the target area has to be of small size (from 5000 to 100 000 residents), and homogenous: areas covered by the LEADER Programme may include a mountain community, a small island, an area with a common cultural heritage, an area characterized by a specific environmental problem, or a distinctive economic resource (Saraceno 1999, 443). Therefore, LEADER emphasizes local resources, and different cultural and institutional contexts (High & Nemes 2007, 108). Another feature is the bottom-up approach: the main emphasis is on the 'grass-roots', concerning both those handling the assistance at the local level in their formulation of programmes and projects and in relation to the recipients of the financial support (Barke & Newton 1997; High & Nemes 2007). This means that according to the subsidiarity principle, "decisions should be taken by bodies located as close as possible to the areas of intervention" (Osti 2000, 172). The actors responsible for the 'grass-root' programming are the so-called local action groups, composed of private and public components, which must be the expression of a specific rural territory. According to the partnership principle, "the hierarchy of decision-making functions should be replaced by negotiating mechanisms which theoretically involve all bodies on an equal footing" (Osti 2000, 172). The task of the local action groups[5] is to develop a strategic plan for the rural area under their competence, and they are also responsible for its implementation. Council Regulation (EC) No 1698/2005 states that the local action groups must represent:

> "partners from the various locally based socio-economic sectors in the territory concerned. At the decision-making level, the economic and social partners, as well as other representatives of the civil society, such as farmers, rural women, young people and their associations, must make up at least 50% of the local partnership".

Another important feature of the LEADER approach is an emphasis on innovative actions, defined as "actions not available through other sources of funding or never tried before in the area" (Saraceno 1999, 443). These may

[5] The constitution of a Local Action Group follows the legal system of each member country, and, as such, does not have a pre-established legal form. On the basis of these premises, the formation of local action groups has not been homogenous in the European Union (not only among the different Member States, but also within the same country). Some states have imposed a particular legal form; in Estonia for instance, the Ministry of Agriculture has imposed the NGO (non-governative organization) form on the local action groups, while in Finland all local action groups have been constituted as registered associations. In contrast, in other countries the government has only claimed that the constitution of a Local Action Group has to conform to law regulations, but without any further suggestion regarding its legal form, such as in the cases of Italy and Spain. In Italy, local action groups can have the form of a consortium, cooperative, recognized association, not recognized association, etc (Rete Nazionale…2007).

include a resource which has been previously poorly exploited or a typical local product. A fourth important feature is an integrated approach, which links together the most important sectors of the local economy in a holistic strategy for the future of a particular area. Last but not least, another characteristic of the LEADER Programme is the promotion of networking activities among the various local action groups. Because of the intrinsic nature of the LEADER initiative, activities directly related to agricultural production are not eligible for support (Barke & Newton 1997, 322).

Ray (2001) argues that the LEADER method represents a mode of capitalist production in which the new territories, along with local enterprises and other collective bodies, function as units in a European economy. Osti (2000, 172–178) further elaborates such argumentation by claiming that in LEADER areas "a principle of command is being replaced by one of competition and negotiation as the system shifts from hierarchy to markets"; in such a quasi-market regime, "LAGS act as instruments of light-handed control". Both Osti (2000) and Kovách (2000) interpret this type of quasi-market regime on the basis of Polanyi's views, according to whom the criteria of the general distribution of economic goods are market exchange, reciprocity, or redistribution. While Osti (2000) emphasizes more the reciprocity point of view, Kovách (2000) claims that redistribution has a more explicative power, since the EU, thorough LEADER, redistributes political power to local and rural actors, and at the same time limits its function by promoting local capacity-building and actor networks. Through another point of view, LEADER can be envisaged as a 'coping' or 'survival' strategy, since it represents a measure, or better, a reaction adopted by European authorities to improve the socio-economic situation of specific actors in a variety of geographical, rural settings (Tykkyläinen, 1999a).

LEADER's input has varied according to the region in which it has been implemented. In those areas that already had a relatively efficient institutional structure, LEADER's main impact has been the creation of weak ties strengthening collective action. In contrast, in regions characterized by an institutional vacuum, especially Objective 1 areas, LEADER has emphasized the need for an effective institutional response (Farrel & Thirion 2005). Beyond institutional capacity-building, many different parameters can be used for evaluating LEADER; they include innovation, social capital, sustainable rural development etc.; one parameter used in this study is given by the inclusion/exclusion of rural actors, particularly farmers/non-farmers, public/private sector. In this regard, Shucksmith (2000), in his review of LEADER in the UK, claims that by adopting an endogenous development initiative, there is a risk of favouring those groups who are already powerful and have a greater capacity to take advantage of this initiative.

On the basis of the above-mentioned LEADER characteristics, Ray (2000a) states that there are three significant reasons which researchers should pay attention to in a programme like this. Firstly, it is a modern form of intervention,

which, beyond the small commitment of public money, considers the active role of private and voluntary sectors. Secondly, it is defined as a post-modern, 'anarchic' form of intervention, which characterizes the design and implementation of development action: not only traditional public bodies such as municipalities have to find a new role, but also new groups of actors have the possibility of expressing their perspectives (Farrel & Thirion 2005). Thirdly, as already noted in Section 1.1, Ray (2000a) defines LEADER as a pan-EU laboratory: although there are general guidelines for the use of funds by the LAGS, at the same time discretion in implementation is dependent on latitude.

1.8 THE STRUCTURE OF THE STUDY

This study is structured as follows. Chapter 2 presents the research process employed to motivate, investigate, and analyze the empirical data. On the basis of 'constructionist' and 'contextualist' epistemologies, a process-based methodological framework is carried out through three key inter-related steps: grounded theory methodology, comparative methodology, and discourse analysis methodology. Chapter 3 and chapter 4 concentrate on two theoretical frameworks that have been formulated and generated from the process of data collection: critical realism, along with the dimensions of agency, structure, and social chance, and the concepts and findings of agricultural and rural geography. Chapter 3 introduces different perspectives on theories of situated activities, in particular how sociological theory has tackled the key issue of the relationship between the individual (agent) and the group (structure). Within the interaction between agency and structures, a variety of formal and informal institutions – namely government, governance, civil society, partnerships, policy networks, and the role of sub-national institutions – are taken into account. In the same chapter, the role of partnerships and their link to local development is reviewed in the Finnish and Italian contexts.

On the basis of the analytical dimensions of territory – which can be viewed as a tool for interpreting various criteria of spatial differentiation – chapter 4 firstly interprets and conceptualizes rurality in the light of geographical and temporal variability, questioning the appropriateness and usefulness of the concept; secondly, it discusses how the disciplines of agricultural and rural geography approach rurality; thirdly, it frames rurality in terms of a 'modernist' discourse versus an 'alternative' discourse based on regional autonomy (see in this regard Cruickshank 2009); fourthly, it sheds some light on selected debates about the role of the countryside in the Finnish and the Italian contexts in order to give both concrete examples on geographical variability of rurality, and to better understand the relations between agency and structure within the case studies of North Karelia and South Tyrol. Chapter 5 gives an overview on how the 'rural' has evolved in European policy discourses (both in the European

Union, and in a variety of European national contexts) and on the evolution of rural and agricultural policies in the two national contexts of Finland and Italy. The following two chapters deal with the two case studies; chapter 6 is devoted to North Karelia and chapter 7 focuses on South Tyrol. Firstly, the two case studies are tackled considering their regional contexts, in particular their location and challenges to development, their socio-economic setting, and their region-building. Attention is then concentrated on their farm structures, and how agriculture is socially constructed in the two regions. The analysis then focuses on the LEADER Programme in North Karelia and in South Tyrol. In particular the following elements are considered: 1) the introduction of LEADER in the two regional contexts; 2) the actors and main characteristics of the LAGS under investigation; 3) the decision-making and power relations; and 4) how LEADER is linked to agriculture. Chapter 8 discusses the theoretical abstractions generated by the empirical data, and draws conclusions in relation to the case studies of North Karelia and South Tyrol within their broader national contexts.

2 Methodology and Methods

2.1 EPISTEMOLOGICAL STARTING POINTS AND GROUNDED THEORY METHODOLOGY

The present study has been undertaken through a process-based methodological framework: different methodological practices are employed at different stages of the research process, which is sensitive both to the research questions and/or the contexts (see Yeung 2003, 442). Figure 3 shows the different steps carried out in the research process; this process starts by positioning the study within contextualist and constructionist epistemologies, which justify and prescribe both the various methodological steps as well as methods, and ends by making theoretical abstractions, which are crucial for the identification of structures (Sayer 1992), and by interpreting the final results. As for the contextualist position, the context as a historical, cultural, and socio-economic environment is a key dimension in respect to how we live, interpret, and experience our lives. This means that when formulating the research questions all knowledge produced is dependent and at the same time inclusive of context (King & Horrocks 2010, 22). Sayer (1992, 43) states that "knowledge – whether adequate or not – never develops in a vacuum but is always embedded in social practices and we can more fully understand the former if we know the latter". In regard to the constructionist position, objects do not have a meaning independent of our interpretation; in contrast, our interpretation, in its forms of discourse, constructs objects and specific versions of reality (King & Horrocks 2010, 22). According to Foucault (1972, in Hall 2001, 72), discourse is not a mere linguistic concept; rather, it constructs the topic: "it defines and produces objects of our knowledge. It governs the way a topic can be meaningfully talked about and reasoned about. It also influences how ideas are put into practice and used to regulate the conduct of others". Both the contextualist and constructionist positions are relativist, in the sense that they view knowledge as historically and culturally located (King & Horrocks 2010).

Within 'constructionist' and 'contextualist' epistemologies, the researcher plays a central role both in data generation and analysis; usually the concept of 'reflexivity' is employed to indicate that the researcher has to consider his/her contribution to the construction of meaning. Willig (2001) distinguishes three types of reflexivity, which are all connected to one another: epistemological reflexivity, personal reflexivity, and critical language awareness. The researcher reflects on the assumptions of the world made in the research process (epistemological reflexivity), and he/she considers how experiences, beliefs, and

identities have an impact on the research (personal reflexivity), and reflects on the categories and labels used in the research process and how they influence the findings (critical language awareness) (see also King & Horrocks 2010).

The encompassing methodology of this work is grounded theory. This methodology, developed by Glaser & Strauss (1967), is an interpretative process that analyzes "the actual production of meanings and concepts used by social actors in real settings" (Gephart 2004, 457). Grounded theory has two main characteristics. Firstly, it is based on 'constant comparison', where data are collected and analyzed at the same time: "as an incident is noted, it should be compared against other incidents for similarities and differences" (Corbin & Strauss 1990, 9); secondly, it is built on 'theoretical sampling', which means that the decision to select certain types of data is undertaken following the theory being constructed (Suddaby 2006). "In grounded theory, representativeness of concepts, not of persons, is crucial" (Corbin & Strauss 1990, 9). At the same time, this particular type of methodology (as it is the case of this study) does not involve *a priori* hypotheses; rather, the data collection is dependent on the ongoing interpretation of data, along with emerging conceptual categories. Furthermore, this type of methodology is more appropriate to making knowledge claims about how individuals interpret social reality, rather than an objective reality (Suddaby 2006, 634).

A common misconception, Suddaby (2006, 634) claims, is that "grounded theory requires a researcher to enter the field without any knowledge of prior research". In contrast, within their formulation of grounded theory, Glaser & Strauss (1967, 79) state the important link between existing empirical knowledge and data collection, differentiating between substantive theory and grounded theory:

> "substantive theory is a strategic link in the formulation and generation of grounded formal theory. We believe that although formal theory can be generated directly from data, it is more desirable, and usually necessary, to start the formal theory from a substantive one. The latter not only provides a stimulus to a "good idea" but it also gives an initial direction in developing relevant categories and properties and in choosing possible modes of integration. Indeed it is difficult to find a grounded formal theory that was not in some way stimulated by substantive theory."

Moreover, when dealing with case studies, theory development is crucial for facilitating data collection and generalizing the case study results (Yin 2003). When case studies are adopted as a research strategy, one is dealing with analytic generalization, whereas "a previously developed theory is used as a template with which to compare the empirical results of the case study" (Yin 2003, 32). The undertaking of theory development requires "a [hypothetical] story about why acts, events, structure, and thoughts occur" (Sutton & Straw, 1995, 378).

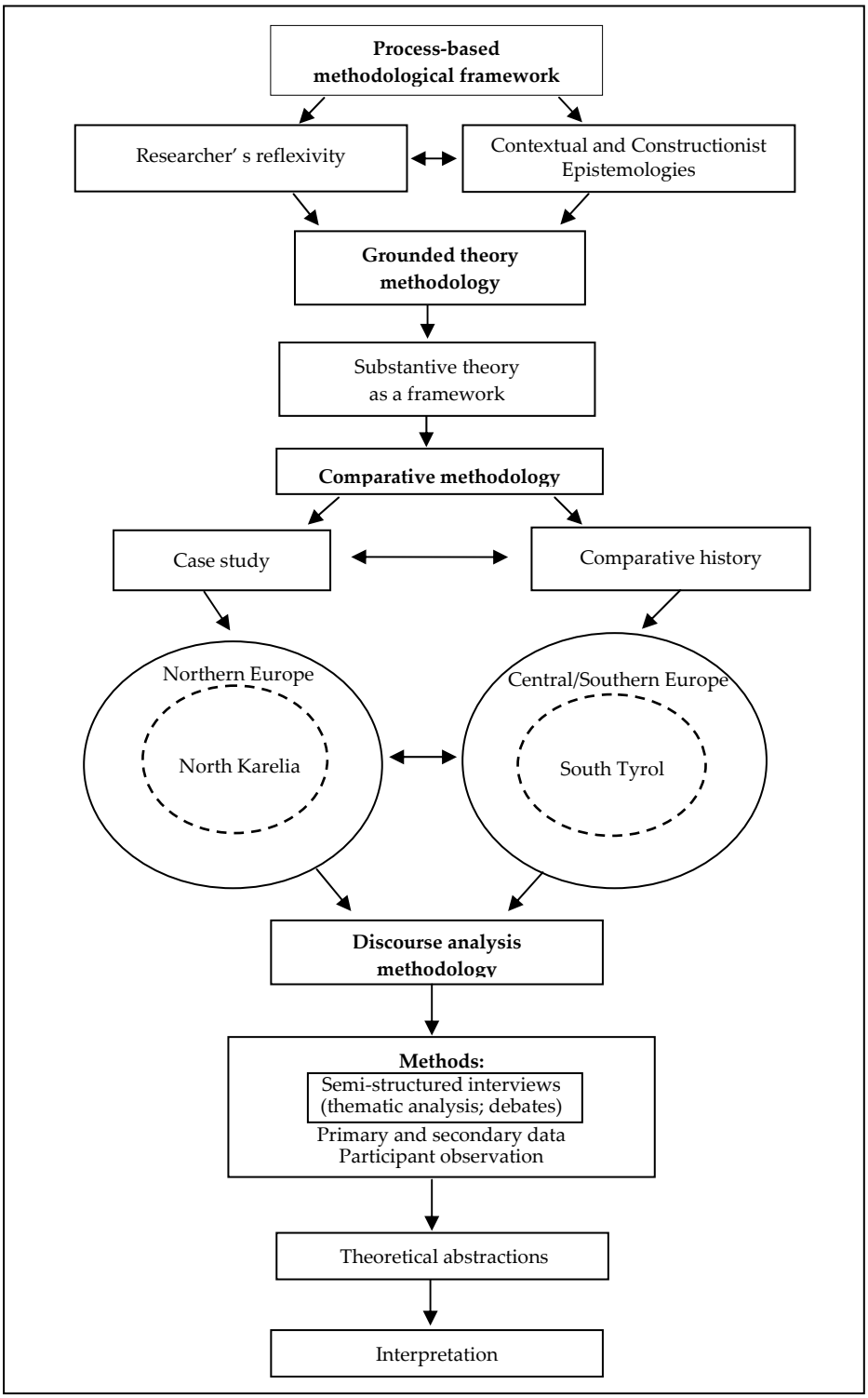

Figure 3: Main steps of the research process

2.2 RESEARCH STRATEGY AND DESIGN

Within the encompassing methodology of grounded theory, two research strategies have been utilized in this work: case study and comparative history. The choice of these strategies has not been simultaneous; rather, the preliminary analysis of the case studies has led in a second phase to the complementary utilization of the comparative history strategy. The detailed phases of the research process will be discussed in section 2.3, while in the present section these two strategies are introduced and the reasons behind their choice are given.

Qualitatively-oriented comparativists apply theories to interpret their case studies through a narrow set of phenomena, with the goal of achieving modest generalizations (Ragin 1987, 11–31). The qualitative tradition, rooted in Weber and German historiography, tends to be historically interpretative, and causally analytic. The main focus of comparative research is based on diversity and the existence of social processes; it looks at patterns of similarities and differences among a range of cases interpreted historically or culturally (see Ragin 1994; Tykkyläinen 1999b; Bradshaw & Wallace 1991).

Yin (2003, 1) claims that "in general, case studies are the preferred strategy when 'how' or 'why' questions are being posed, when the investigator has little or no control over events, and when the focus is on a contemporary phenomenon within some real life context". As it is the case in this work, within case studies contextual conditions are considered highly relevant to the investigated phenomena for tracing their causal processes and links. Likewise, comparative history deals with phenomena and context, but with a focus on *non*contemporary events. The case study relies on techniques similar to comparative history (primary and secondary documents), but includes two additional sources which do not belong to the historian's repertoire: direct observation of the events focused on, and interviews with the people involved in these events (Yin 2003). Bradshaw & Wallace (1991, 159–164) claim that case studies are useful in the following circumstances: 1) when a case does not fit any dominant theory; 2) when a case partially supports (or deviates) from existing theory; 3) when the case is characterized by such circumstances that justify intensive study. Case studies can contribute to the general theory, often highlighting certain conditions which deviate from traditional theoretical explanations. Most theories, for instance, dependency theory, neo-Marxist theories and modernization theory, describe farmers as historically weak, powerless, and manipulated by capital. If these Western-oriented paths to development are applicable to many regions, they may not be completely appropriate for others. Beyond having theoretical implications, case studies are also "are profoundly comparative", and thus have to be compared to other case studies (Bradshaw & Wallace 1991, 161).

In this work, the choice of the case studies has been undertaken in the light of diverse political and economic regionalization processes, region-building

processes, rural development paths and agricultural structures. While North Karelia represents a case of the Nordic context, South Tyrol represents a case where the Central European and the Southern European contexts meet. In light of the investigation of the LEADER approach in the two regions, an embedded case study design has been chosen: according to Yin (2003), in such design case studies include sub-units of analysis, where the purpose is to predict similar results (literal replication) within each case (see Figure 4): while South Tyrol includes the three sub-units of *LAG Wipptal*, *LAG Sarntal*, and *LAG Tauferer Arntal*, the North Karelia case study includes the sub-units of *Joensuun Seudun LEADER* and *Vaara-Karjalan LEADER*. Within the two case studies, *LAG Wipptal* (South Tyrol) and *Joensuun Seudun LEADER* (North Karelia) are the LAGS which have been the object of greatest focus.

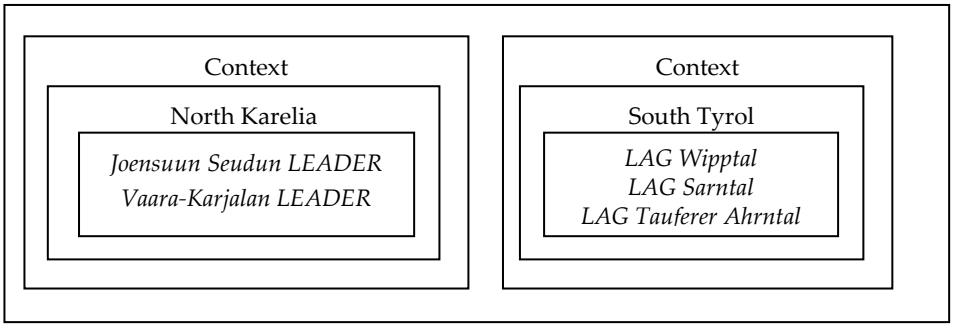

Figure 4: Embedded case study design

On the basis of the literature review, the approach which is most similar to the present study is the one by Goodale & Kåre Sky (2001), who have investigated land issues in rural Bolivia and rural Norway: land tenure patterns, property boundaries, and dispute resolution issues have been examined in two regions which are very different from each other in terms of language, socio-economic well-being, political history etc.; however, both countries have as a common denominator the fact that "land in rural areas serves both practical and symbolic functions" (Goodale & Kåre Sky 2001, 183). Within the field of policy research, scholars who have used the principle of diversity to select the regions they investigate are, for instance, Östhol & Svensson (2002), in their study on regional governance at the end of the twentieth century in four Nordic countries; Kull (2008), who has investigated the multi-level governance in the LEADER Programme in Germany and Finland; the work by Cavazzani & Moseley (2001) with the PRIDE Research Project, and Ruzza et al. (2009), who have analyzed the transformations and innovations in the modalities and contents of the policies of rural development in Italy, England, and France.

Bradshaw & Wallace (1991, 164) claim that "a primary purpose of case-study research is to specify and elaborate historical processes that impact social

phenomena". Therefore, a society is affected by different historical path-dependent processes that provide relevant perspectives on its current state. In this study, the historical trajectories of region-building, rural development paths and agricultural systems have been tackled by comparative history: "comparative history is commonly used rather loosely to refer to any and all studies in which two or more historical trajectories of nation-states, institutional complexes, or civilizations are juxtaposed" (Skocpol 1979, 36). Skocpol & Somers (1980) identify three types of comparative histories: the parallel demonstration of theory, the contrast of contexts, and the macro-causal analysis. All types of comparative history are characterized by their own identity; however, they are sometimes combined in scholarly works. The type of comparative history employed in this study is to a large extent the contrast of contexts, with some features typical of the macro-causal analysis comparative history and the parallel demonstration of theory. The contrast of contexts has the goal of disclosing the unique characteristics of the specific historical cases examined, and their historical integrity as distinctive socio-historical configurations (Skocpol & Somers 1980). Contrast-oriented comparativists do not have the ultimate goal of creating new explanatory generalizations through comparative historical analysis, and they can be positioned between social scientists and historians (Skocpol & Somers 1980, 181). Their strength is to present unbroken accounts of the unique histories of different societies while highlighting the limitations of received general theories: "Quite often an unmistakable 'genetic determinism', a tendency to say that earlier, and ultimately the earliest, happenings determine what comes later – creeps into contrast-oriented presentations" (Skocpol & Somers 1980, 193). Their main weakness is the applicability of received general theories.

The contrast of contexts method differentiates itself from the parallel demonstration of theory perspective, where the main goal is to convince the reader that a specific hypothesis or theory can repeatedly prove its effectiveness when applied to a series of relevant historical paths. In the latter approach the comparison is least important and the presentation and explanation of a theory has the highest significance. The contrast of contexts is also different from the macro-causal analysis (rooted in John Stuart Mill's work *A System of logic: ratiocinative and inductive*), whose main purpose is to make causal inferences about macro-level structures and processes (Skocpol & Somers 1980, 182). Sayer (1992, 5) claims that "there is necessity in the world; objects – whether natural or social – necessarily have particular causal powers or ways of acting and particular susceptibilities".

In this investigation, contrast-oriented comparative history includes links to macro-analytic arguments, since the historical paths analyzed suggest causal factors in explaining how the LEADER Programme has engaged the two regional settings, both concerning the relation between agriculture and rural development and that between the public and the private sector (Figure 5). To

summarize, comparative history is not a single or a homogeneous logic of macro-social investigation. It includes three major logics with distinct purposes, characteristics, strengths, and weaknesses. According to Skocpol & Somers (1980, 196), comparative historical studies seem to work best when they are done primarily according to one logic or another. However, the investigation of societal orders and social change may make the parallel, contrast-oriented, and macro-analytic approaches a complementary system (Skocpol & Somers 1980).

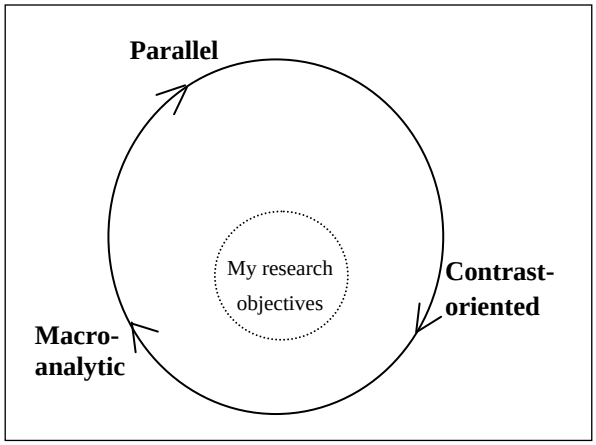

Figure 5: Methods in comparative history
Source: Author's design according to Skocpol & Somers (1980, 197)

In this study, although the focus is clearly on contrast-oriented comparative history and its linkages with macro-analytic issues, there reference is also made to the parallel method since it is suggested that a specific theory may be applied to a similar study. Similarly to Goodale & Kåre Sky (2001, 183), the ultimate goal of this combined strategy (case study and comparative history) is that "the reader will be able to make his or her own evaluations and also be able to compare the material here with other case studies from other regions".

2.3 COLLECTION AND ANALYSIS OF EMPIRICAL DATA

Evidence for the research strategies of case study and comparative history has been collected from four sources: documents, interviews, direct observation and participant observation. The collection and analysis of the empirical data has been an ongoing learning process that has witnessed several and interacting phases. The two case studies have fed each other in the process of data generation and analysis. At the initial stage of this study, the research questions were mainly targeted at the LEADER method and its implementation; however, throughout the research process, in the light of the 'constant comparison' of

grounded theory methodology, new issues have emerged which have modified the original research aim. The goal to provide and elaborate new insights on the co-evolutionary role of agriculture and rural development in different regional contexts has not only made possible a better understanding of the LEADER method in different geographical spaces, but has also provided a broader perspective on the causal, contextual and historical processes which have encompassed the LEADER social, cultural, and economic arena. My research role has been a fundamental part of the research process in terms of epistemological starting points, as discussed in section 2.1, but also by virtue of my experiences and beliefs concerning the choice of the empirical data to be selected.

The primary data include policy and strategy documents collected at the European, national, and local level; in particular, EU Commission papers, the LEADER local development plans of the local action groups investigated, LEADER evaluation reports (both published and unpublished documents), North Karelia regional policy/food policy strategies, and the planning declarations of the President of South Tyrol (*Dichiarazioni Programmatiche*). Another important data source has been newspapers and magazines, where articles have been collected during the period 2009–2011. The main newspapers used as sources have been: *Alto Adige*, the local, Italian-speaking newspaper concerning the Province of Alto-Adige/South Tyrol; and *Maaseudun Tulevaisuus*, the third most-read newspaper in Finland, dealing both with farming issues, and its broader countryside context. A second newspaper considered in the Finnish context is *Karjalainen*, which is the leading local newspaper of North Karelia. In the Italian context, the national newspaper *La Repubblica* has been considered as an additional source. Another source has been the Italian magazine *Alps*, which is devoted mostly to Alpine areas (in terms of tourism, territory, sport etc.), but also to mountains in general. If, on the one hand, the data collected from *Alto Adige* and *Maaseudun Tulevaisuus* have been collected systematically, this has not been the case of the data collected from the other newspapers and magazines, where their discovery has been accidental. Moreover, statistics have been gathered concerning farm structure (number of farms, farms categories according to hectares, diversified farms, utilized agricultural surface), and the evolution of the membership of farmers' organizations; for background information purposes, statistics have included also population data, ethnic structure (in the case of South Tyrol), employment structure, and percentage of work force per economic sector. Last but not least, secondary data include Finnish, Italian and international literature concerning the research topic.

Other key data is provided by face-to-face semi-structured interviews which have been collected throughout the period 2008–2011 in Finland (31 interviews) and in Italy (31 interviews) (see Appendix 1). The interviews have been undertaken through open-ended questions adapted both to the competencies

and the knowledge possessed by the interviewees, and in relation to the different politico-administrative structures of the two case studies (in Finland LEADER is a national programme, in Italy a regional one). Their transcription has been carried out by identifying the main areas of the research focus and transcribing those sections in full, while the other parts of the interviews have been summarized or, if they proved irrelevant to the research questions, not transcribed at all. The interviews (see Appendix 2) have been divided into three parts: 1) professional background of the interviewees and related knowledge of LEADER; 2) rural policy governance; 3) evaluation of the LAGS' performance. In order to streamline the questions of the semi-structured interviews two pilot preliminary interviews were conducted, one in the Finnish context with a researcher from the Karelian Institute (where I have been carrying out my study), who has a strong background in LEADER issues in the North Karelia region and has also provided me some key contacts in the investigated local action groups. As for the Italian case study, I decided to do a pilot interview with a LEADER staff member from the province of Trentino, where my family lives, which is the province nearby South Tyrol. The uniqueness of South Tyrolese agriculture (and especially the ability of this province to keep rural areas inhabited), which I was aware of, emerged in this pilot interview, and convinced me to focus on this bi-lingual province within the Italian context. Even though the focus has been on South Tyrol, some interviews have been conducted also in nearby Trentino, since the two provinces constitute the Autonomous Region of Trentino-Alto/Adige South Tyrol. In order to obtain a wide spectrum of responses, the interviewees have different educational and working backgrounds, and range from the central to the local level. On the basis of the snowball method, most of the individuals interviewed have been selected during the process of data collection; to protect the privacy of respondents, the answers have been kept anonymous.

The first phase of interviews was collected in the Finnish case study (Spring 2008); at that time, it was thought that the research process in this case study was completed. However, after completing my interviews in Italy (Fall 2008), when I returned to Finland I realized that the interviews as well the document data were incomplete; since the agricultural issue emerged predominantly in the South Tyrol case study, I decided to interview North Karelian farmers (Spring 2009), and thus inquire about agriculture in both case studies. If I had collected empirical data exclusively on the Finnish LEADER, I would probably have not paid so much attention to the agricultural issue; thus the comparative study gave me the impetus to inquire on its role in the Finnish context as well and how it is linked to rural diversification. In 2010, I again returned to do field work in Italy for a couple of months to finalize the data collection process there, especially concerning the collection of literature. In 2011, this ongoing process of 'constant comparison' has continued until the requirements for both case studies were fulfilled.

Within the Finnish context, at the local level interviews were chiefly conducted with informants from the *Joensuun Seudun LEADER* area, while some were conducted in other municipalities of the North Karelian region which are located outside the Local Action Group under investigation. In the latter case, three interviewees at different points of time of their careers have had experience in other LEADER local action groups in the North Karelia region, in particular *Vaara-Karjalan LEADER*, *Keski-Karjala*, and *Jetina*. At the local level, interviewed actors included both individuals involved in the LEADER method (most of them), as well as other rural actors who were not necessarily familiar with the LEADER approach. Interviews were conducted with staff members of the Local Action Group, researchers, rural secretaries, entrepreneurs, village activists, project managers, municipal councillors, civil servants and farmers. At the central level, interviews were conducted with high-ranking civil servants from the Ministry of Agriculture and Forestry, as well as with national representatives of the Finnish Village Association.

As for South Tyrol, at the local level most interviews were conducted in the *LAG Wipptal*, and a few in *LAG Sarntal* and *LAG Tauferer Ahrntal*. Additionally, key informants were contacted in the Autonomous Province of Bolzano/Bozen, which is the responsible authority for the LEADER programme in this region. As mentioned above, since this province is part of the Region Trentino-Alto Adige, a few interviews were also collected in nearby Trentino in the *Local Action Group Valsugana;* Trentino has an administrative structure quite similar to that of South Tyrol in terms of autonomous powers in relations to the Italian state. In this way, an external opinion was collected outside the main area of investigation. External opinions were collected also from a professor at the University of Cà Foscari in Venice, and one researcher at the National Institute of Agrarian Economy, located in Rome.

The interview process ended when it was felt that a clear, multi-perspective and holistic picture of the main research issues of the study was achieved. In Italy, the interviews were conducted in Italian; although the Province of South Tyrol is mostly German-speaking, it is a bilingual province and as such, most people speak both languages. Moreover, most literature collected in the South Tyrol case study is authored by German-speaking scholars, whose work has been translated into Italian. In the Finnish case study the interviews have been collected both in English and in Finnish. In the latter case, a Finnish-speaking research assistant helped me in the process of conducting the interviews. Language has been one of the key challenges in this study, especially in the Finnish context. Although I have been able to conduct research rather autonomously, especially in reading literature and documents, it is undeniable that the language has represented a constraint in collecting the interviews.

Observation has included personal considerations on the cultural landscapes visited, and on the type of procedure adopted by the interviewees in agreeing on the time and date of the interviews. In Finland it was quite easy to approach

all the interviewees, at the national, regional, and local levels. The procedures through which the interviews were arranged were quite informal, and there is a high degree of transparency in having access to the people interviewed; telephone numbers and emails of the informants contacted were all available on the internet. By contrast, in the Italian case study both the procedure to agree to an interview and the accessibility to the interviewees' contact details was not as straightforward as in the Finnish case. In a few instances, there was a high degree of formality; for instance, when the staff of the *Local Action Group Wipptal* in South Tyrol was approached, before granting permission to contact the various members of the LAG, they said that they would first contact them stating who I was, and at a later stage, I would be able to contact them personally. Not in all cases were the emails available on the internet for perusal by any citizen, so in this regard there was not always a high transparency. Last but not least, in the Finnish case study I participated in various events concerning LEADER and/or rural policy. In particular, I attended a forum where the staff informed Finnish citizens of the financial possibilities provided by the LEADER Programme 2007–2013, two conferences on the LEADER Programme, an informal meeting involving rural activists, the staff of the *Joensuun Seudun LEADER* as well as researchers on rural development issues, and two meetings of the Rural Policy Committee in Helsinki.

Similarly to Frouws (1998), in this study discourse analysis as a methodological approach has been deployed in the investigation of newspaper articles, policy documents and interviews. By reconstructing discourses on the basis of a variety of concepts including rurality, the interaction between agents and structure, and to a broader extent the encompassing concept of countryside, the researcher selects and interprets the data in a specific way: "the result of such a discourse analysis can be seen as the researchers' discourse on discourses" (Frouws 1998, 57). Based on the argumentation of Fairclough (2004), in this study discourse analysis is intended both as a linguistic analysis of the text (analysis of macro-propositions and coding key words) and, above all, as 'interdiscursive analysis', which means that any analysis of the text that seeks to be relevant in social scientific terms should be linked to theoretical questions concerning discourse (e.g. the socially 'constructive' effects of discourse) (Fairclough 2004, 3).

As for the linguistic analysis of text, the interview material has been the object of thematic analysis: firstly, the so-called 'descriptive codes' have been identified; there the goal is to emphasize the most recurrent perceptions of the interviewees; secondly, 'interpretative coding' has been undertaken by grouping together 'descriptive codes' which share common interpretations; thirdly, the 'overarching themes' of the interviews have been abstracted in order to link them to the theoretical issues concerning discourses. For each case study, a diagram has been drawn which shows the various steps of thematic analysis, from the descriptive codes identified in the text to the interpretive codes, up to

the overarching themes. In a few circumstances, the interview material has been organized in 'debates': this means that the most representative answers of the interviewees on a particular theme were directly quoted within textboxes, and successively discussed and elaborated.

According to Meinhof (1993, 161), "discourse has become one of the most widely and often confusingly used terms in recent theories in the arts and social sciences, without a clearly definable single unifying concept". Potter & Wetherell (1987, in Jones 1995, 36) define it as "all forms of spoken interaction, formal and informal, and written texts of all kinds". As Gregory (1994, 11), however, highlights "it is not just another word for conversation… it refers to all the ways in which we communicate with one another, to that vast network of signs, symbols, and practices through which we make our world(s) meaningful to ourselves and others". Discourses, Gee (1999) argues, are embedded in social institutions; such characteristics, Jones (1995, 36) clarifies, result in "the processing and contested construction of the social world through specific actors in specific spatial and temporal circumstances". In other words, a discourse can be defined as an organized set of social representations. Depending on the 'organizers', we can distinguish, for instance, 'lay' discourses, 'professional' discourses, 'academic' discourses, and so on (Jones 1995).

Thus, the concept of discourse represents a key contribution on "how we come to know the rural" (Murdoch & Pratt 1997, 55). In addition, it is critical in providing empirical evidence on processes such as social identities as well as ideologies (see Schäffner, 1996). According to van Dijk (1996), ideologies are characterized by social and cognitive functions, and their main goal is to support, orient, legitimate, and justify the actions of a specific interest group. In this study, statements and views of a variety of actors, including academics, rural developers, farmers, and policy makers have been 'extracted' from the data with the goal of identifying the main debates on the role of agriculture and rural development (as well as their co-evolution) within North Karelia and South Tyrol, as well as within their wider Finnish and Italian contexts.

3 Agency and Structure

3.1 INTRODUCING THE MAIN THEORETICAL FRAMEWORKS AND CONCEPTS OF THE STUDY

Similarly to Sibeon (2000, 290), the theoretical frames of reference of this study are based on "a flexible, post-modern social ontology that centres on the proposition that empirical enquiry should be concerned with investigation of potentially mutually shaping ('dialectical') interactions between agency, structure and social chance". This ontological assumption is based on the critique of four theoretical and methodological interpretations: reductionism, which tries to explain the complexities of social life on the basis of one single explanation such as capitalism, patriarchy, globalization, etc.; essentialism, which assumes that social phenomena are homogenous; functional teleology, where the goal is to explain the causes of social phenomena along with their effects or functions; and reification, in which agency refers to entities that are not actors or agents (Sibeon 2000, 290). As Layder (1998) suggests, this type of flexible ontology assumes that the social world is both stratified as well as diverse; social reality is ontologically multi-dimensional, characterized by a series of domains interrelated to each other.

Figure 6 introduces the main theoretical frameworks and concepts present in this study. At the top of the figure, agricultural and rural geography tackle how the 'rural' – as hybrid, ambiguous, and networked space – is constructed, and who constructs it on the basis of social, political, and academic discourses. In light of space and time, rurality has taken different meanings in different contexts; if rurality were envisaged as the electromagnetic spectrum, agriculture, which has historically dominated the European countryside, is located on one side; nowadays it is often trapped within a sectoral and top-down approach. On the opposite side we find rural development, which is a relatively new concept used to define and describe the countryside; the latter concept is associated with economic diversification beyond primary production; its essential characteristics are project work and class, and a bottom-up/integrated approach. At the bottom of Figure 6 is the second theoretical umbrella of this study, which is represented by action, structure, and social chance, and how they are combined within policy networks. Such categories are interpreted through a critical realist approach. "Critical realism is a perspective that retains a core element of ontological realism, whereby behaviour and experience are seen to be 'generated by' underlying structures such as biological, economic or social structures… which may impact on our lives" (King & Korrocks 2010, 9). Within the

differentiated and stratified world of realism (Sayer 1992), power as a multi-layer, structural phenomenon is the key concept expressing action and structure relationships. Once again, if action and structure were imagined as an electromagnetic spectrum, on one side would be government along with politics (which involves a top-down perspective) and on the opposite side we find governance along with sub-politics (which involves a hybridity and ambiguity of power relations). Within the theoretical umbrellas of agricultural and rural geography, and critical realism, the concepts of institution (both formal, like the role of sub-national level within political decentralization, and informal, including cultural practices), territory, and discourse help to trace the historical/causal processes of farm structures, the farmers' role as well as agricultural/rural policies in the two case studies, and their wider national contexts.

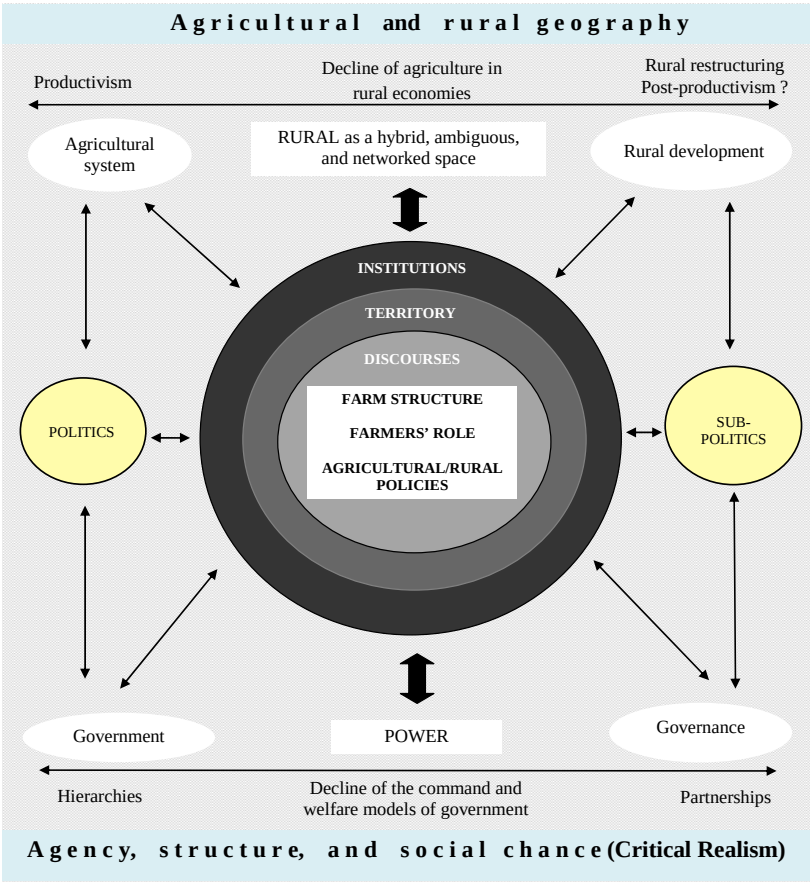

Figure 6: Main theoretical frameworks and concepts of the study

3.2 AGENCY, STRUCTURE, AND SOCIAL CHANCE

The relationship between agency and structure is one of the many debated and unresolved issues in social science and social theory (Fuchs 2001). Within this debate, Sibeon (1999) claims that there are two main perspectives, which, to a varying extent, disagree with each other: some scholars believe that it is the agents who create the social world (micro theories), while others believe that it is the society that creates individuals (macro theories). To a broad extent, the agency/structure relation varies according to differences in size, scale, and duration of the 'social'. The smaller the 'social' is in size, and acts in a short period of time – such as actors, actions, conversations, and small groups – the more it can be defined in terms of 'agency'. In contrast, when the 'social' is durable and larger in size – including organizations, states, stratification, and markets – then it leans towards 'structure' (Fuchs 2001, 25). The way agency, structure, and social chance (or an unexpected distinct event and/or its consequences) are combined, and which of them predominates, are issues that cannot be determined before empirical inquiry (Sibeon 1999).

Within sociological theory, the debate around agency and structure is centered on whether, and to what extent, these two entities can be separated. According to Sawyer (2002), Giddens (1979, 4, 40–56) supports the inseparability thesis, which implies not only that social structure cannot be analytically isolated, but also that properties of individual activity (reasons, intentions, mental states) cannot be analytically isolated. Thus, as Sawyer (2002) claims, Giddens rejects a methodological individualism that would confine analysis of social systems to individual psychology: individual and group cannot be analytically separated because "the notion of action and structure presuppose one another" (1979, 53). Giddens also argues that inseparability implies a rejection of social causation and social laws (1984, 172–179, 343–347 in Sawyer 2002). Thus, he rejects structuralism (1979) and structural sociology (1979, 59–65, 1984, ch. 4 in Sawyer 2002); the latter theories hypothesize collective entities that have lawful causal influences over individuals: "structure is preserved or enriched by the interplay of its transformation laws, which never yield results external to the system nor imply elements that are external to it" (Piaget 1971, 5). In contrast, Giddens (in Sawyer 2002, 287) describes actors who consciously choose among available options, rather than being constrained by external structures. This determines a focus on agents' knowledgeability or practical consciousness.

According to Sawyer (2002), the implications of Giddens' inseparability claim have been widely criticized by sociological theorists, including Archer (1988, 1995), Craib (1992), Layder (1987), Smith & Turner, (1986), and Thompson (1989). In spite of the fact that inseparability allows structuration theorists to go beyond individual-social dualism, Sawyer (2002, 290) claims that the independence and autonomy of either "structure" or "agency" are lost.

Furthermore, social structure cannot have any causal power over individuals. Archer (1995, in Sawyer 2002), who belongs to the school of critical realists, has criticized Giddens' model as 'elisionist', since he has merged the individual and the social. Giddens takes a strong stance on inseparability in rejecting 'dualism'; however, he somewhat paradoxically retains a notion of 'duality'. Layder (1981, 75 in Sawyer 2002) remarks that duality is problematic because inseparability implies that structure and agency "cannot refer to separate processes or separate structures". In addition, structuration cannot explain specific cases of human behavior because inseparability rejects explanations both in terms of internal motivation and structural influences (Sawyer 2002, 290).

As a counterargument to Giddens' inseparability claim, Layder (1987, 31–32 in Sawyer 2002) argues that "social theory retains a dualism of individual and social structure that does not necessarily imply opposition or unrelatedness … such a mutually constitutive dualism achieves the same theoretical goals at lesser cost than inseparability". The argument therefore moves toward an analytic dualism between individual action and social context. On the basis of such considerations, for the purpose of this study Giddens' structuration theory appears to be too rigid; instead of adopting the stance of inseparability typical of structuration theorists, it is more reasonable to apply the emergentist 'analytic dualism' to the case studies under investigation, which allows for a greater interplay rather than an interpenetration between individual and society (Archer 1995 in Sawyer 2002). Furthermore, analytic dualism allows us to better theorize the nature of the causal interaction between these two entities as well as the nature of constraining forces and explanations of internal motivations (Sawyer 2002). Such reasoning is in line with the ideas of critical realism, which state that social structure pre-exists, and is a necessary condition to agency, and thus it is not the deliberate result of agency (Lewis 2002). Critical realists claim that the agency-structure relation has to be interpreted historically: "every person is born into a world of antecedent social structures, learning a language, and entering a culture and mode of economic organization that are not of their own choosing" (Lewis 2002, 19).

According to Smith (1993), and Sibeon (1999, 2000) as well, agency and structure must be complemented by social chance as a potential relevant explanatory model of social reality. This category avoids assumptions of either total chaos or total regularity. Within the sociological debate, in particular the Weberian tradition, scholars have been divided on how to define 'chance' (see Smith 1993). Between the 1940s and the 1960s, the predominant view considered chance as a residual category limited to either constraining conditions or intentional actions; since the 1970s, and especially in the 1980s, 'chance' has been considered by scholars to be an important factor for describing reality. Such interest has been associated with the structural and cultural factors typical of late modernity, including structural fragmentation and cultural flexibility, which are very relevant to the present study. Structural fragmentation is

considered to be the counterpart of the globalization phenomenon and according to Giddens (1991, in Smith 1993) is important when investigating differences rather than similarities. As for cultural flexibility, in late modernity ideas are no longer viewed as incompatible, but rather complement each other, and are flexible within common paradigms. To summarize, in spite of the fact that the category of social chance is not yet fully theorized, it has its own distinctive features which differentiate it from other forms of chance, including mathematical and scientific chance. Social chance has been defined as 'unforeseen chance', which can be interpreted according to two perspectives: 'unforeseen chance of impacts', and 'unforeseen consequences of action'(Smith 1993). In this study, the usefulness and appropriateness of this category will be evaluated in the light of data generation.

3.3 THE NEW INSTITUTIONALISMS

In the analysis of the above debate, which has dealt with the categories of agency, structure, and social chance, a key social structure which may limit or enable both human and/or social agents is provided by institutions. Even though there is a considerable degree of agreement among institutionalists concerning the instrumentality of institutions in economic activity, one of the main problems in institutional analysis is the wide range of definitions and descriptions of institution and institutions (Parto 2005). Giddens (1979, 65) defines them as the "most deeply-layered practices constitutive of social systems". Furthermore, North (1990, 3) claims that institutions are "the rules of the game in a society, or more formally, are the humanly devised constraints that shape human interaction". Institutions limit uncertainty by structuring everyday life, and they represent a guide to human interaction, whether it is political, social, or economic. Institutions can either be formal or informal; they may be created or they may evolve over time. Institutional constraints include both what people are prohibited to do, but also the conditions within which people can carry out certain tasks (North 1990, 3–4). One of the most important characteristics of an established institution is its "widespread acceptance – i.e. routines are followed because they are taken for granted" (Williams 2007, 250).

Thus, institutions are not only political and administrative organizations, but according to the new institutionalist point of view they are also "a set of routines, norms, and incentives that shape and constrain individuals' preferences and behaviour" (Lowndes & Wilson 2001, 631). In this study institutions are addressed both formally and informally. On the one hand, attention is paid to the hybrid combination of government and governance institutions – which are typical of the contemporary Westphalian state – as well as to the role of sub-national institutions; on the other hand, informal routines and norms, such as the degree of regionalization from a political and economic

point of view, and the construction of rurality and their agents are taken into account.

Hall & Taylor (1996), noting the increasing frequency of the term 'new institutionalism' within political science, identify three different currents of this broad school of thought: historical institutionalism, rational choice institutionalism, and sociological institutionalism. All these currents emerged as a response to the behavioural perspectives that were prominent in the 1960s and 1970s; all try to explain in different ways the role of institutions in shaping social and political outcomes. New institutionalists deal with the role of institutions by means of the calculus and cultural approaches; to a varying degree, both of them characterize the ideas of sociological, rational choice, and historical institutionalism. The calculus approach sees institutions from the strategic and instrumental point of view, since they establish the rules for human behaviour as well as enforce agreements and penalties. The cultural approach views an action more as the result of an interpretation of a situation, rather than an instrumental and strategically useful calculation. According to the cultural approach, the individual is embedded in his/her world of institutions, represented by symbols, scripts and routines; in this case, institutions, as collective constructions, cannot be transformed by the action of any single individual. Within the theories of situated activities, the calculus approach seems more in line with the 'individualist' stance of sociology, while the cultural approach is more suited to the macro-theories of sociological realists (Hall &Taylor 1996, 939–940). In this study, as in the case of agency and structure, the calculus and cultural approaches are based on a flexible, post-modern social ontology.

Historical institutionalists are flexible, since they use both the cultural and calculus approach; they have a propensity to frame the relationship between institutions and individual behaviour in relatively extensive terms. Secondly, they highlight power relations and their asymmetries within institutions. Historical institutionalism has particularly investigated how institutions distribute power unevenly across social groups, distinguishing between losers and winners. Thirdly, they focus on historical development and suggest that social causation is 'path dependent', since it is mediated by historical and contextual features. Fourthly, they combine institutional analysis with the inclusion of other elements, such as socio-economic development and the diffusion of ideas (Hall & Taylor 1996, 941). The historical institutional approach has been applied to a variety of empirical settings, providing an understanding of "policy continuities over time within countries and policy variation across countries" (Thelen & Steinmo 1992, 10).

Rational choice institutionalism is another strand of new institutionalism which has developed at the same time as historical institutionalism, but in isolation from it; its analytical tools are drawn from the 'new economics of organization', which emphasizes that property rights, rent-seeking, and

transaction costs are relevant to the development of institutions. The main assumption of rational choice institutionalism is that actors behave entirely instrumentally, and strategic interaction has a relevant role in the definition of political outcomes. The third strand of institutionalism, sociological institutionalism, attempts to explain why organizations assume specific institutional forms, procedures or symbols. This approach tends to define culture as an institution and represents the 'cognitive turn' within sociology, which states that culture does not refer only to attitudes or values; rather, culture is viewed as "a network of routines, symbols or scripts providing templates for behaviour" (Hall & Taylor 1996, 948).

Contemporary institutional theorists, including economists such as North and Williamson, and the sociologists Granovetter and Evans, have acknowledged that culture is a key feature of the institutional environment (see Williams 2007). Culture, as Harrison (2000, xxviii) asserts, is not an independent variable, but is influenced by a series of factors including geography and climate, politics, and history. If economic exchange is considered, markets and organizational hierarchies are among the most widely recognized institutions that have been created. In the context of social exchange, culture can be approached as an institution in the same manner as markets and firms are considered institutions: "this is because institutions – including culture, markets, and organizations – are socially constructed structures that regularize behaviour through a combination of coercion, obligation, or shared understanding" (Scott, 2001 in Williams 2007, 250). If culture is an institution, it is not defined as exogenously given and immutable, but can be viewed as "the behavioural outcome of a repeated game in which individuals develop beliefs and strategies based on the incentive structure of social life" (Williams 2007, 250). In terms of how institutional practices originate and change, sociological institutionalists, unlike rational choice institutionalists, do not claim that organizations develop on the basis of the promotion of efficiency; in contrast, they see organizations as developing within the wider cultural environment (Hall & Taylor 1996).

These three currents of thought are relevant to answering the research questions of this study, especially historical and sociological institutionalism and their way of explaining how institutions originate and change. Both claim that new institutions are created or adopted in a world already contextualized within institutions at the cultural and societal level. However, rational choice institutionalism contributes to this study by explaining the continuity of institutions; such continuity often depends upon the benefits it can release (Hall & Taylor 1996).

3.4 THE HYBRID COMBINATION BETWEEN GOVERNMENT AND GOVERNANCE

Within such a new institutionalist framework the aim of this section is to investigate the institutions of government and governance and, above all, how they are related to one another. In recent years, both the state and international bodies such as the European Union have encouraged institutional arrangements of 'governing' that emphasize the role of private economic actors and various segments of civil society in policy-making; this is a role which was previously given to and organized by the state (Swyngedouw 2005). Terms which typically complicate the border between the public and private domain include governance, policy networks, partnerships, project social class, and civil society. These terms are all important for the purpose of this study, and their meaning and function often overlap.

While government traditionally involves a top-down perspective, governance is associated with a self-governing group of actors who work together in networks (Sjöblom 2006, 9). Goodwin (1998) argues that the meaning of government has changed due to a variety of processes including the crisis of the post-war Keynesian welfare state, which is increasingly losing importance; in rural areas, this crisis has taken place through a decline in agrarian-based economic and political power; this power has been challenged by competing discourses concerning development, conservation, and lifestyle (Woods 1997 in Goodwin 1998). The concept of governance is increasingly common in rule-making, rule-setting, and rule implementation at a variety of geographical scales ranging from the local up to the transnational. Not only urban areas, but rural areas too have been involved in new types of governing mechanisms characterized by a variety of public, private, and voluntary institutions; nowadays, such mechanisms have become the most common practice for rural policy formulation and service delivery, such as LEADER (Goodwin 1998).

As a result of the crisis of the post-war Keynesian welfare state, Beck (1998, in Goverde & Van Tatenhove 2000, 100) argues that in the current period society is a laboratory where no one is responsible for the outcomes of experiments: "a whole arena of hybrid subpolitics emerges in the realms of investment decisions, product development, plant management and scientific research priorities". Beck (1994, 23) claims that subpolitics implies the shaping of society from below, with a decrease in central rule and growing opportunities for citizens, social movements and expert groups: "subpolitics (second modernity) refers to politics outside and beyond the representative institutions of the political systems of nation-states (first politics)" (Beck 1996, 18). According to Dente (1985, 269),

> "… the growth of complexity of contemporary administration has by all means broken the unity of the system, and it has generated a fragmentation which cannot be erased. The confused dynamics of intergovernmental relations is indeed the rule, and

> not the exception within institutional mechanisms. Government, intended as activity of steering towards general goals, is interpreted more and more as government of fragmentation, and government in the fragmentation. The institutional debate should take into consideration this simple truth and take the consequences on the political and administrative terrain".

The growing interest towards governance is rooted in the rejection of several dichotomies which were typical in the social sciences of the 1970s and 1980s, such as market versus hierarchy in economics, market versus plan in policy studies, private versus public in politics, and anarchy versus sovereignty in international relations (Jessop 1998, 30). Goodwin (1998) claims that within the social sciences, political administration and political science literature, which focus on policies, contain the most interesting viewpoints on the changing nature of rural governance. They recognize that governing implies an increasing interdependence between a series of actors and that policies are made of different, overlapping and interconnected networks which go beyond the formal structures of government (Goodwin 1998). Osborne & Gaebler (1992, in O'Toole & Burdess 2004) argue that governance is both a method and a system of governing, which is affected by specific practices, standards, and relationships. As a method, governance is the interaction between state and non-state actors to deal with the affairs of the community (Weller 2000 in O'Toole & Burdess 2004). As a system, governance varies and depends on whether it is applied to the local, regional, national, or global level (Osborne & Gaebler 1992 in O'Toole & Burdess 2004).

Despite its terminological mobility, "which allows it to structure significant argumentations on the current social transformations" (Jessop 2006, 189), it is debatable whether the term governance represents a theoretical instrument for the analysis of the current social transformations, or if it is a practical key to face such complexity. In the present study the concept of governance is considered as a practical dimension, or a 'type' of informal institution, while the overarching theoretical frameworks are provided by action, agency, and structure, on the one hand, and rural and agricultural geography, on the other.

Within the terminological ambiguity of the concept of governance, Jessop (1998, 31) argues that "the link between conceptual interest in governance and social change involves anything more than transferring old wine into new bottles". Many concepts that now are under the governance umbrella have been examined under other headings; public-private partnerships, industrial districts, trade associations, statecraft, diplomacy, interest in policy, policy communities, and international regimes all include aspects of what is termed governance. Interest in the practices of governance has increased because society is becoming more complex, which makes it more difficult to rely on market anarchy or on state hierarchy; there is an awareness that modern societies are becoming functionally more differentiated and more complex, and/or that postmodern

societies are becoming fragmented and chaotic (Jessop 2006). Sibeon (2000, 304), too, claims that by stating the positive aspects of non-hierarchical network interaction, governance theorists tend to exaggerate the scope of socio-political change, including those scholars who argue the 'death of government', an argument that according to Giddens (1998, 32) should be avoided. Rhodes (1997, 15) claims that:

> "it would be foolish to argue that the British centre can never intervene effectively. Its relationships with other units of government and with policy networks are 'asymmetric'; for example, the centre has more legal resources than any other domestic actor. However, it is equally foolish to ignore the clear limits to, and constraints on, central intervention, there is 'asymmetric interdependence'. Fragmentation and centralization co-exist".

Moreover, it is erroneous to juxtapose the powerful state of the past to the contemporary one because the environment in which the state acts today is very different than it was a century ago (Keating 1998, 17). As a result, in certain circumstances government actors may be 'powerful', in others 'weak', depending on the empirical variables at stake (Sibeon 2000). In addition, state involvement in policy communities may increase its power, since its ability to reach civil society is strengthened. Carroll & Carroll (1999, 23 in Sibeon 2000) argue that "state actors' participation in 'civic networks' may serve to 'enhance the policy capacity of the state'". On the other hand, it is debatable what capacity civil society has as a replacement for governmental 'steering' (such as strategic planning) and for governmental 'rowing', which refers to service delivery, service organization and management. Thus, when summarizing the argumentation of this section, it is very appropriate to consider that the contemporary era is increasingly witnessing a hybrid combination of government and governance, rather than a replacement of government with governance.

3.5 THE CONCEPTS OF CIVIL SOCIETY, PARTNERSHIPS, AND POLICY NETWORKS

During the period of Prodi's presidency of the European Union (1999–2004), there was an initial attempt in the *White Book* on governance to redefine European democracy as a participatory democracy; this was followed by numerous attempts to promote the inclusion of civil society as well as to regulate its functions. The main assumption is that participation is important in order to increase the trust of citizens in European institutions. As a result, among the different ways in which EU administration can directly address citizens, a crucial role is represented by civil society, organized in all articulations at various levels of government, especially at the local level. Within

this context, territorial policies such as the LEADER Programme or URBAN seek to maximize the various objectives of the EU (specifically the contradictory dichotomy cohesion-competitiveness) by including civil society (Ruzza 2009).

An important change has been that a growing number of civil servants, experts and managers play a more relevant role in designing and managing European as well as national development programs (Kovách & Kristóf 2008). Kovách & Kučerová (2006, 4) interpret the inclusion of civil society in terms of a new social class, which "is emerging inside the projectified European rural/territorial system and that its general function is one of mediation in the redistribution of public and particularly private development funds and the transfer of materials, ideas, knowledge and power" (see also Sjöblom 2006). Depending on the geographical context, this new project social class, which embodies the 'new' rural paradigm, often clashes or competes for power with the farming lobbies, which represent the 'old' rural paradigm.

Ruzza (2009, 33–34) states that "examining the documents of the EU institutions in their conceptualization of civil society it emerges this regulative dimension of the social through the contribution of associations, which have to be financed and informed". However, economic organizations, along with their representatives, have a higher possibility of access and influence in comparison to other organizations of civil society. EU programmes also have been implemented in different ways in different contexts concerning the inclusion of these actors. Among the factors that have increased the importance of civil society a relevant one is the distrust of a great number of European citizens towards the institutions of representative democracy (Ruzza 2009, 37). The organizations that represent civil society both intervene directly to solve social problems, but also they join political structures in their decisional activities, and, in part, replace some state functions and contribute to the political agenda. In respect to the functions of civil society, an emphasis emerges from EU documents on the fact that civil society can improve the quality of representative democracy (Ruzza 2009, 38). This comparative study is helpful in investigating the inclusion of civil society in two very different parts of Europe, highlighting how the institutional context is crucial to interpret how different actors are included in the LEADER Programme partnerships. To what extent can representative democracy not be trusted? And, to what extent, in contrast, is direct democracy necessarily transparent?

In the EU context, partnerships originated from the 1988 reform of the structural funds, and they became the tangible expression of a trend whose goal was to transform the European Union politics in a system of multilevel governance (Allen 2000, 259 in Bauer 2001). Partnerships, "as devices to interlock layers of government and organized social interests across multiple arenas in order to prepare and implement supranational policies, have emerged as ubiquitous modes of co-operative governance in the European Union" (Bauer 2001, 4). According to their level of institutionalization and range of action,

partnerships may be classified into three main categories (Östhol & Svensson 2002): strategic partnerships, institutional partnerships, and project partnerships. Strategic partnerships imply a high degree of coordination among different actors at the regional level, and they represent the 'ideal type' for regional development; institutional partnerships are new institutions which involve the inclusion of private sector actors, and they may be the result of government's endeavour to encourage cooperation in the region; the last type of partnership is the project partnership, which is a short-term organization that is terminated upon the accomplishment of specific tasks (Östhol & Svensson 2002).

Although they have evolved in different ways according to the institutional and administrative characteristics of every country, partnerships are characterized by similar features and underlying principles (OECD 2006). First of all, the development of a partnership needs a target area, which is delineated according to administrative and/or functional criteria. The size of the target area varies depending on the programme and, sometimes, on the amount of public and private investments available. The definition of a target area can be classified according to a bottom-up approach. In this case, the area is defined by the project strategy and the autonomous decisions of the partners that develop the project. A second type of classification follows a top-down approach, whereby eligible areas are selected ex-ante by national or regional authorities. After a target area has been defined, local public and private actors join a partnership and bring together knowledge and resources. The role of the private sector is often crucial to guarantee the necessary financial support to the project, while the public component gives political support to local initiatives and provides administrative competencies and skills. The cooperation between private and public actors contributes to the legitimization of the project within the target area. Once the private and public actors join a partnership, a rural development strategy is defined according to a common view of the territory and a series of shared objectives. This strategy is the product of a complex process which often involves the converging of a variety of views on the most suitable strategy to adopt for a specific territory (OECD 2006).

The impact of partnerships on rural development reported by researchers has been remarkable. The type of measured impacts refers to capacity-building in the community, community involvement, innovation, and the better integration of development initiatives (OECD 2006). Partnerships are appealing because they have the potential to link the interest of local organizations with those of governmental agents in order to tackle issues of economic regeneration, and broadly speaking, facilitating endogenous development (Ray 1999, in Edwards 2001 et al. 289). Additionally, partnerships can provide an arena in which the interests of local communities can be considered and they can help to promote common objectives at the local level. As a result of these potentialities, according to some scholars (see for instance Goodwin 1998) working in partnerships is considered the pillar of a new rural governance, whereas a top-down,

hierarchical system is being replaced by self-organized networks (Edwards et al. 2001, 289–290).

On the other hand, there are a series of potential challenges to effective partnerships. Because of their need to establish consensus, partnerships can often be rather conservative bodies: this can be especially true when partnerships have the tendency to favour organizations that are traditionally well-represented in the area. Most partnerships also perform better in implementing individual projects than truly integrated programmes. Another possible challenge to partnership effectiveness is bureaucratic overload, and different empirical studies show that many partnerships offer little access to community or civic representatives. Local partnerships are often dominated by the public sector, especially by local authorities, and local and regional agencies of central government (Moseley 2003, 122–123).

Furthermore, when a concrete delegation of responsibility takes place questions of accountability emerge, because unelected private and voluntary sector partners are involved in what are in reality political decisions about resource allocation: "this has been identified as a problem of democratic legitimacy, since inclusion is a cornerstone of the arguments for establishing a body of largely unelected representatives" (Derkzen & Bock 2007, 190). In other words, local partnerships may increase rather than narrow social and economic disparities if those who are successful tend to be rewarded with further funding (Derkzen & Bock 2007). To summarize, according to Edwards et al. (2000, 10):

> "the growth of partnership working in rural regeneration has not produced a new homogeneized form of rural governance institution – 'the partnership' – but rather a diverse and complicated menagerie of 'partnership organizations', with different foci, different scales of operation, different durations and histories, and different patterns of sector representation and funding".

Within this setting, Ostrom (1990, in Bozzini 2009) has emphasized that rural communities are particularly fit for the implementation of the participatory approach, which is typical of the recent wave of rural development policies, since they are characterized by small dimensions and tend to be homogenous from a social and economic point of view. Nevertheless, Bozzini (2009, 25) claims, "this assumption does not seem to be supported anymore by empirical evidence. For some time already homogeneity of interests and socio-economic similarities are not enough to grasp the realities of local communities which animate rural areas". In this study, the empirical data investigates which types of partnerships have emerged as a result of the introduction of the LEADER Programme in the two examined regional contexts, especially the links between their public and private components, as well as between agricultural and non-agricultural components.

In order to investigate the power relations of partnerships resulting from LEADER policy, the research questions presented in this study address the use

of power in policy network approaches. In spite of "the 'Babylonian' variety of different understandings and applications of the policy network concept" (Börzel 1998, 254), in the science of public administration policy networks are usually defined as "more or less stable patterns of social relations between interdependent actors, which take shape around policy problems and/or policy programmes" (Kickert et al. 1997, 6). Central elements are the interdependencies between actors, who have their own goals and stable relations. Sibeon (2000, 292) defines policy network as "an array of individual, and, in particular, social ('organizational') actors who jointly participate in policy formulation and/or implementation". Policy network analysis tries to interpret new ways of governance that involve a variety of public and private actors within the mutating relationships between state, civil society and the market (Goverde & Van Tatenhove 2000, 96). In this study, the focus is on policy networks as a heuristic analytical approach (Goverde & Van Tatenhove 2000, 98); the goal is to unravel the power relations, interactions, and interdependencies between actors which result from the implementation of the LEADER Programme in two different regional contexts. The concept of policy network is "an ontologically flexible advance on conventional theories of the state and of the state-civil society relation" (Sibeon 2000, 293). In regard to the latter, conventional theories such as pluralism, elitism, corporatism or Marxism, tend to have a reductionist point of view, making assumptions about power distributions and policy dynamics within society and various policy sectors. In sum, they may miss the fact that power relations could vary spatially and temporally (Sibeon 2000). For instance, to determine whether government actors are strong or weak compared to other actors is an empirical variable.

Although power in social science research has traditionally been an important issue in theoretical analysis, little research has been done regarding power functions and how they are structured (Kovách & Kristóf 2008). According to Stone (1989), power has to be conceptualized as social production rather than social control. Thus, it is not so much characterized by domination and subordination; rather, it can be defined as the capacity to act and accomplish goals (1989, 229). According to Held (1995, in Goverde & Van Tatenhove 2000), power is defined as the capacity of agents, agencies, or institutions to maintain or transform their environment, social or physical. The new rural governance involves this type of power, since actors and institutions try to obtain the capacity to act by mixing their skills and goals in a viable partnership. However, a more comprehensive definition of power, which includes both social production and social control, is traced in Gidden's structuration theory. Giddens (1984, 16) argues that "power within social systems which enjoy some continuity over time and space presumes regularized relations of autonomy and dependence between actors or collectivities in contexts of social interaction". Thus, in structuration theory power is both a link between structure and agency, and a multi-layered concept: power refers to the

capacity of agents, and is understood as a relational and structural phenomenon (Goverde & Van Tatenhove 2000, 106). Power as a capacity, which is the most apparent and visible type of power, refers to the way the social and physical environment is maintained or transformed. Secondly, power as a relational phenomenon refers to the fact that it is exercised within the relative abilities of actors in interaction. The third layer, power as a structural phenomenon, means that power is shaped by and "shapes the socially structured and culturally patterned behaviour of groups and the practices of organizations" (Goverde & Van Tatenhove 2000, 107). As Murdoch (2000, 408) suggests, from a rural perspective it is appropriate to question whether the assumption of a society based on horizontal relations "is as prevalent as is often assumed by theorists of the 'network society'". In order to investigate the dynamics of networks and the power relations within networks, it is important to analyze not only the structures of power, but also the geographical context in which these networks change (Goodwin 1998).

3.6 THE ROLE OF SUB-NATIONAL INSTITUTIONS THROUGH THE LENS OF POLITICO-ECONOMIC REGIONALIZATION

In order to achieve this task, the discussion related to governing structures typical of the contemporary era (which has been undertaken in sections 2.2, 2.3, and 2.4) has to be complemented by conceptualizing the role of sub-national institutions, which are also key dimensions of social structure; as a result, they limit or enable both social and human agents, as well as other social structures, which in this specific study are given by the evolutionary paths of the agricultural and rural development systems of the regions of North Karelia and South Tyrol, along with their respective national contexts. Such conceptualization is carried out in the light of the regionalization phenomenon, which, along with the hybrid combination between government and governance, also has a relevant effect on how rural development and agriculture have co-evolved in different regional institututional contexts.

Dente (1985, 18–19) emphasizes the centrality of political decentralization, and of sub-national institutions within contemporary politico-administrative systems:

> "one can claim that there is no Western country which has not in the past few years set the problem of local and regional reform at the center of the political and scientific debate. This is true both for the states of autonomous tradition as well as for the most centralized systems: from the experience of municipal mergers by Scandinavian countries and Germany to the creation of regions in France, Belgium, and Spain … the list could disproportionally become very large".

Within the debate on economic structural change and the process of developing new types of regulation, the regional level as well as the local level, is increasingly gaining importance, both in particular forms of political and economic regionalization, as well as in policy-making (Danielzyk & Wood 2004). Within the European Union, regionalization of policy-making has been developing for the past half century; this process accelerated in the 1990s, complementing national and European levels of governance (Trouvé & Berriet-Solliec 2010, 1006). The way in which actors are able to use regional, national, and European resources is crucial for whether policies are effective in regional, but also rural, development. Östhol & Svensson (2002, 26) argue that "both the formal distribution of powers within the political system, especially the degree of decentralization, and the extent of business involvement do in other words have to be considered as key factors influencing the emergence and performance of partnerships". In the context of globalization, political regionalization is defined as that process which makes a region stronger at the political level in relation to a central authority (Östhol & Svensson 2002). Political regionalization can take place through the transfer of authority, additional economic resources, or other factors leading to greater autonomy (Östhol 1996, in Östhol & Svensson 2002). Beyond political regionalization, economic regionalization assumes that networks and synergies present in a specific territory create the conditions for more effective development policies. Economic regionalization is partly influenced by a stronger integration within the global economy (Östhol & Svensson 2002). The global and the local, as well as their interaction (coined as 'glocalization', see for instance Katajamäki 2007, 83), have become, according to Garofoli (1993, 23), "the two poles of a new dialectics of development": the firm looks both to the local dimension, taking into account professional, cultural, and techno-scientific knowledge, and to the external dimension, with the goal of finding new stimuli for innovation, as well as productive differentiation, to take two examples.

The interaction between local and global has brought more emphasis on functional and subregional relations (Väyrynen 2003, 26). Furthermore, in public policy discourses there has been a rediscovery of communities (O'Toole & Burdess 2004); community is viewed as a 'normative construct' which is ideal for providing local services. The underpinning assumptions are that communities have a sense of place, are homogenous, can provide benefits and burdens equitably, they can build and sustain social capital, are accountable and, as such, can plan, manage, deliver, and coordinate better than government and markets. The self-governing of the community (or community governance), which is carried out by residents for the collective benefits of the community itself, contains all activities which can, for instance, include the provision of public services or the representation of community interests to external agencies (Woods et al. 2001, 3 in O'Toole & Burdess 2004).

Thus, the interaction between a variety of participatory approaches and their broader context of political and economic regionalization contributes to the understanding of how institutional arrangements such as LEADER are structured and implemented in different administrative contexts. In this regard, Cavazzani (2001, 19) defines partnership "as a 'located' experience, born in a specific, well-defined social and territorial context, and whose success or failure depends in the first instance on the possibility and opportunity of mobilising the existing resources and involving the local actors".

3.7 PARTNERSHIPS AND LOCAL DEVELOPMENT IN FINLAND

In Finland local initiative has a long and well-established tradition, and it has its roots in traditional co-operation and help between neighbours; the foundations of spontaneous action in civil society date as far back as the last ten years of the 1800s (Hyyryläinen 2000). Since the 1970s, discussion developed around the concepts of local action in employment and regional policy (Härkönen & Kahila 1999, 129). Nowadays, partnerships in Finland dominate national and regional development policies (Östhol & Svensson 2002), and they are also rather popular in the development of rural areas. "It should be emphasized that the concept of local partnership in Finland is defined, while the concept of partnership is still unclear. Local partnership (kumppanuus in Finnish) is considered "as a mode of action based on local joint responsibility with the aim of generating new jobs" (Härkönen & Kahila 1999, 129).

There are different types of local partnerships in Finland and, depending on the source of funding, local partnerships can be classified into three groups. The first group is the EU-policy based partnership, which has contributed to a new approach to rural policy. Uusitalo (2011, 1) claims that "LEADER is a central element of the Finnish rural policy system. We can say that the best thing from the LEADER perspective is that the approach covers the whole of rural Finland, while the most negative is the clearly insufficient level of funding". There were no local action groups before Finland joined the European Union in 1995; however, they quickly developed in villages thanks to the long experience from the Village Action Movement; village activists were selected to draft the first programmes of local action groups in the mid-1990s (Katajamäki 2007, 82).

Finland is the only European country where the local action groups, which lie at the core the LEADER initiative, have been fully adopted in official rural policy (Pylkkänen & Hyyryläinen 2004, 22). Another peculiar characteristic of the Finnish LEADER is that of one-third of the members of LAG boards represent municipalities, one-third local organizations, and another third consist of individual local residents (Vihinen 2007, 73). The main goal of this system is to prevent the possible dominance of the public sector in the workings of the

local action groups, so that, as a key rural developer (interview 6) at the national level has argued, "municipalities are important partners, but they cannot decide alone how to use LEADER funds. The power in the LEADER groups is not in municipalities, associations, or in the ordinary people. All these components must share power together." The Finnish local action groups are responsible for selecting the projects; however, the final decision regarding the allocation of funding is executed by the Centres for Economic Development, Transport, and the Environment (also known as *ELY Keskukset*) which determine whether the projects comply with EU and Finnish legislation. The responsibility of the Ministry of Agriculture and Forestry is that of allocating a financial framework to the local action groups as well as monitor the progress of the programme and reports to the EU Commission (see for instance Maaseutu.fi 2011).

The second type of local partnership is represented by the national rural policy-based partnerships. In Finland, there is a Local Action Group in almost every Finnish municipality; "the cornerstone of the mainstreaming of the LEADER method in Finland was the Rural Programme Based on Local Initiative (POMO) implemented in 1997–1999 as a national extension and complement to the LEADER II Programme" (Pylkkänen & Hyyryläinen 2004, 23). The Rural Policy Committee developed the idea of extending the LEADER mode of action based on LAGs as early as 1995. The Secretary General of the Committee, along with a group of civil servants have had a crucial role in developing early ideas into concrete facts (Pylkkänen & Hyyryläinen 2004, 24). "The concept of mainstreaming was not used at the beginning, but it was the National Rural Policy Programme 'Active Countryside', still in 1995, that first documented the idea of extending the LEADER II Programme itself" (Pylkkänen & Hyyryläinen 2004, 24).

The third type of local partnership refers to the employment/community partnerships which were born in Finland in the mid-1990s; these were formed by the representatives of the unemployed, private entrepreneurs, schools, trade unions, religious communities, and non-governmental organizations in order to reduce unemployment in their own communities. Finland had just experienced a deep economic recession in the early 1990s and unemployment was fairly high; thus there was motivation for a new approach (Saikkonen 2002). The pilot project in local community partnerships in Finland was based on the proposal made by Raimo Harjunen, chief of the Labour District of the former province of Vaasa in 1996 (see Katajamäki 1998). According to Harjunen, "local partnership concerns the birth of a permanent local culture of co-operation and joint responsibility" (Härkönen & Kahila 1999, 132). Almost all the local partnership experiments were designed as projects. Steering groups were founded, and in the majority of local partnerships, thematic groups had the task of generating ideas for concrete projects. Unlike the LEADER and POMO programmes, local community partnerships did not give financial support for development projects (Härkönen & Kahila 1999).

3.8 PARTNERSHIPS AND LOCAL DEVELOPMENT IN ITALY

Unlike Finland, Italy does not have a strong tradition in working in partnerships; according to Scassellati (1998), no real culture, tradition, and practice of local development exists in Italy; as a result, it needs to be built. All Italian culture between the 1950s and the 1980s has focused on development guided and induced from the center, while the principle of subsidiarity lacks a literature in the Italian language. In Italy community development has not had much space, unlike the experience in the United States where a proper methodology of process has been established. Beyond some isolated socio-cultural movements including the experience and social engagement of Adriano Olivetti, or the Catholic culture that dealt with the Mezzogiorno and the agrarian reform (De Rita 1998), Scassellati (1998) continues by arguing that attention to local development in Italy has always been paid only in emergency situations, including the aftermath of the war, when villages needed to be rebuilt, or in the presence of earthquakes, when solidarity starts to emerge, although this solidarity is often used for political and economic goals.

According to a survey conducted on participatory practices on behalf of the Department of the Public Function of the Presidency of the Ministries' Council in 2007, it emerged that in some cases participatory processes are rarely a collective undertaking; rather, they are linked to the personal initiative of representatives of the politico-institutional world, and as such do not seem to have solid roots in the administrations, in the executive bodies, in the councils, and in the political parties. Participation still appears to be weak in Italy at the political level, and it remains at the margins of the public debate (Bobbio 2007). On the other hand, similarly to the arguments by De Rita (1998), Bobbio (2007) claims that participatory practices have never been a completely 'alien' phenomenon within public administration (for instance, the neighbourhood committees of the 1970s, or in the same period the birth of joint organizations in schools); furthermore, in the last ten to fifteen years, discussions on partnership and collaboration started with the diffusion of theories of bottom-up development and the idea of local development (often imported from Northern Europe, or more recently, from Latin America) (see Bobbio 2007; Bozzini 2009, 62).

Based on the Italian literature, different forms of partnerships can be identified. The industrial districts represent a particular socio-economic system in the center and the northeast of Italy, and they are characterized by contiguous and limited territory, the small size of business activities as well as economic and financial cooperation among enterprises. Other partnerships for local development are provided by the territorial pacts and area contracts, which are very similar to each other and are based on the agreement between public and private actors for the promotion of different local development actions (Campennì & Sivini 1999). On the basis of the concept of 'industrial district'

devised by Becattini, and developed by many Italian regional economists, the term 'rural district' emerged as early as the 1990s in the agricultural economic literature. The 'rural district' concept is a wider version of the 'industrial district', since it involves not only networks of enterprises and civil society (which are the basic characteristics of the 'industrial district'), but also the natural environment. A key characteristic of the 'rural district' is "the particular relationship between local actors and the environment that is embodied in their 'contextual knowledge', which lies at the foundations of practices that produce and reproduce cultural landscapes, typical food, and rural heritage" (Brunori & Rossi, 2007, 186). Because of its success at the academic level, and due to the increasing interest in relocalization of agricultural production and endogenous development, the Italian Agricultural Act (*Legge di orientamento*) (decree 228 of April 2001) gave regional governments the possibility of establishing 'rural districts', defined as "local production systems characterized by a homogenous historical and territorial identity due to the integration among agriculture and other local activities and to the production of very specific goods or services, coherent with natural and territorial traditions and vocations". The 'rural district' has thus been utilized as a concrete initiative at the territorial level, by establishing partnerships which aimed to define and implement rural development strategies (Brunori & Rossi 2007).

According to Bozzini (2009, 62), although the partnership tool is increasing in importance in the Italian context, it is still limited in scope. From the interviews collected within the project "Social Network for Sustainable Rural Development" promoted by the Ministry of University and Research (Cofin 2004), Bozzini (2009, 63) argues that although the interviewees recognize the importance of partnerships, strong difficulties still exist in aggregating interests in Italian rural areas. For instance, civil servants at the Ministry of Agriculture claim that the multiplicity of diverging interests and the inability to put them together in a holistic manner is one of the main problems in LEADER implementation.

The LEADER Programme in Italy is implemented through 21 regional programmes. Regional administrations and the Autonomous Provinces of Trento and Bolzano/Bozen are the managing and paying authorities, and they are also responsible for selecting the local action groups. The latter have the responsibility of choosing the individual projects. Ministry of Agriculture and Forestry policies have a coordinating role in implementating LEADER, in particular the department *Direzione Generale per le Politiche Strutturali e lo Sviluppo Rurale* (POSR) (INEA 2006). The ministry does not have any direct link with the various local action groups; the offices of the ministry cooperate mostly with the regional authorities, gathering all the data for evaluation as well as verifying the implementation of the programme (Bozzini 2009, 61). The regions from the center-north are the most virtuous in regard to implementing Local Development Plans; most Italian regions located in the south have encountered

difficulties in spending the minimum amount of funds necessary to avoid their disengagement as governed by Regulation 1260/99, and the reallocation of those funds to efficient administrations (Petrella 2009). Within the Italian rural context, a researcher from INEA[6] (interview 26) argues that the role of the local action groups is marginal both from a financial point of view, and in terms of their capacity to engrave on the dynamics and processes of development; however, they have a very strong role in triggering those processes and determining the links between sectors which are often separated from each other.

In order to better grasp the discussion on partnerships as a 'located' experience, it is essential to investigate the analytical dimension of the 'territory' concept; the territory can be considered the essential 'platform' from which to interpret criteria of spatial differentiation, including rurality, as well as regional analysis.

[6] The National Institute of Agrarian Economy (*Istituto Nazionale di Economia Agraria* or simply *INEA*) is an institution which supports the activities of the Italian Ministry of Agriculture, Food, and Forestry Policies. It carries out activities of research, analysis, and forecast within the agro-industrial, forestry, and fishing fields. In recent years the activity of the Institute has included supporting the public administration for the implementation of agrarian policies, particularly European Union policies (INEA 2010).

4 Constructing Territory and Rurality

4.1 TERRITORY AND TERRITORIAL DIMENSION OF DEVELOPMENT

Within a broad perspective, the concept of territory includes the natural, infrastructural, and cultural resources which characterize human and economic establishments (Ciapetti 2010). The concept of territory can be interpreted as a multi-dimensional system which is articulated in sub-systems interconnected to each other. The first sub-system is the physical system, which is given by geographical location, as well as by morphology, climate, and eco-system. The physical system defines the range of the possible models of development that can be undertaken. The second key dimension is given by the demographic system (population), which is located in a specific territory, and/or utilizes that territory. Thirdly, the territory is a functional system; as a result of human intervention, the territory has several functions including its urban systems, infrastructural network systems, economic-productive systems, etc.; all these systems are 'functional' in respect to each other, which means that an intervention on one of them produces chain reactions affecting the others, and ultimately on the physical environment, and the population (Salvato 2006, 225).

Furthermore, the territory can be seen as a system of social, political, and cultural relations. It is a vital world where people establish relations, a place of production and sharing of culture and identity, where traditions, values, and symbols solidify through time (Salvato 2006). The territory as a political and social construction includes all the social and political relations (more or less in conflict between them) among subjects who live in a specific area, as well as the actions that these subjects carry out to solve a problem and/or to invest local resources (Ciapetti 2010). In recent years, scholars have increased their attention to the territorial dimension of development, and in particular to its sub-categories of *environment* (or "milieu"), and to *territory* seen as "the sedimentation of specific and interrelated historical, social and cultural factors in local areas which generate significantly different processes of development directly as a result of local specifications" (Garofoli 1993, 24). It is nowadays common for both rural and urban areas to exploit cultural features to promote territorial development objectives; these include traditional foods, regional languages, crafts, historical sites, landscape systems, etc. Such objectives, whose

goal seeks to localize economic forces, are the response to extra-local forces such as neo-liberal capitalism, which undermine the socio-economic fabric of local rural areas (Ray 1998). According to Gade (2004), among the Western countries, France has had a pioneer role (as early as 1935) in searching for new ways to develop the authenticity of food production, for example, and this has occurred by anchoring it to the concepts of *patrimonialisation* and *terroir*; while *patrimonialisation* to a great extent refers to the process of linking place-based production to the modern economy, the concept of *terroir* indicates that the special quality of an agricultural product is the result of the characteristics of the place from which it originates. Such processes represent a counterforce to the homogenizing trends in the globalization of world food systems; it is no surprise that it is in France "where the wisdom of the globalization trends overtaking the world has received its most persistent critique" (Gade 2004, 848).

Such resistance to the homogenization of globalization forces leads to the formulation of two competing discourses resulting from different views attributed to the territory as a system of social, political, and cultural relations. A discourse which is becoming increasingly less fashionable and outdated views the territory as a relatively regulated and bounded space where the idea of the nation-state prevails, with a static and fixed control over resources. The second type of discourse, which is the most common in the contemporary era, is that which sees the territory as a deterritorialized, 'borderless tabula rasa',[7] where the movement of mobile resources and human beings is to a large extent unregulated, and where the location of economic activity and human settlement is strictly linked to the logic of economic profit.[8] This latter approach – which fits the accumulation and deactivation patterns of agricultural production very well – implies the replacement of the state by the globe (Agnew 2001). The 'borderless tabula rasa' or more simply, the so-called globalization phenomenon, has geopolitical, rather than simply technological or economic, origins:

> "this views powerful states, above all the United States, as sponsoring a new global 'market access' regime that is producing a new geopolitics of power in which control over flows of goods, capital, and innovations increasingly substitutes for the fixed or static control over the resources of bounded territories" (Agnew 2001, 135).

In addition, since the late 1940s, all global economic institutions, such as the IMF, the World Bank, and the World Trade Organization, have existed to concretize the plans and ideals promoted by various US governments (Agnew 2001). One

[7] Tabula rasa: Latin expression, literally 'scratched tablet'. Originally, the expression referred to the waxed tablet used by the Romans for writing; when all marks and signs were removed and cancelled, the tablet was again ready for use (Vocabolario della Lingua Italiana Treccani, 1994).

[8] As the French philosopher and economist Latouche (2010, 8) remarks, "…our lifestyle is based on an unlimited economic growth".

of the several implications caused by an increasingly unregulated and unbounded territory is that most contemporary policies – trade, industrial, monetary, and agricultural, to name just a few – are not only increasingly defined in terms of market access, but also and above all, are no longer exclusively controlled by individual sovereign states (Agnew 2001), for instance, within the European Union.[9] Hubbard & Gorton (2011, 80) claim in this regard that "agricultural policy is an example of 'deep integration' where European, vis-à-vis national, competencies dominate, with the CAP an exemplar of the EU as a regulatory and redistributive state". Another example is given by LEADER, where the EU supports territories to select and implement those strategies that emphasize the exploitation of local resources. In this light, Ray (1998, 5) remarks that a 'localist' policy such as LEADER is the result of the liberalization and homogenization attempts of European space: while liberalization is pursued as the goal of economic convergence within the Single Market, homogenization is carried out by the technocratic/political agenda of a European 'identity/ integration'.

To summarize the argumentation of this section (4.1.), the concept of territory as a multi-dimensional system – which includes a physical system, demographic system, functional system as well as the system of social, political, and cultural relations (which is dependent on different interactions between agents and structures) – has key implications on how to interpret spatial differentiation in different geographical contexts, especially in relation to the co-evolution between agricultural and rural development.

4.2 RURALITY AND ITS GEOGRAPHIC AND TEMPORAL VARIABILITY

In order to interpret spatial differentiation, the social sciences have used several criteria, including the urban-rural divide, altitude, degree of development, politico-administrative units, labour market basins, and areas of economic exchange (Saraceno 1994). In this study, attention focuses on the meaningfulness and appropriateness of the concept of 'rural' and 'rurality', as well as on alternative criteria of spatial differentiation which may be useful in the investigation of the two regional case studies of North Karelia and South Tyrol. Katajamäki (Maaseudun Tulevaisuus 11.02.2011g, 15) claims that "rural researchers have debated the definition of rural probably more than anything else, but in spite of this no unambiguous answer exists". Furthermore, scholars such as Saraceno (1994) have serious doubts whether such a category of spatial

[9] Draghi (2011, 14) claims that "according to some, by separating the notion of sovereignty from that of territory, the risk of a democratic deficit increases: we could fear the rise of a murky global technocracy, shaped by non-elected regulators, and thus not subjected to the judgment of its own political constituencies (if not in filtered and substantially ineffective forms)."

differentiation ('rural') is useful in all circumstances (or whether it is useful at all).

Halfacree (2006, 45) claims that the term rural is intrinsically geographic: "quite simply, neither at the official nor at the cultural or popular level is there consensus on the delineation of the 'non-urban' spaces that the term 'rural' seeks to encapsulate". In the geographical context, 'rural' includes a variety of spatial imaginaries and everyday practices of the contemporary world, including countryside, wilderness, outback, periphery, farm belt, village, hamlet, bush, peasant society, pastoral, garden, etc. (Halfacree 2006; Cloke 2006). Thus, one of the main challenges in defining the term 'rural' lies in its intrinsic spatial as well as temporal variability, which depends on different perceptions and contextual contingencies, including specific locations, economic processes, and social identities (Cloke 2006): "as a matter of fact the definitions given to rurality and its description of rural space change, as does the concept of the rural world itself, as a result of evolutionary processes in the developed countries and with the changing environment of rural territory" (Storti et al. 2004, 4).

According to Vitale (2006), the new political orientation of contemporary society has not been able to produce an accurate definition of what is 'rural' or 'rurality' in the changed historical circumstances, nor has it been able to grasp its origins, its actors, and the processes of transformation. The representation of the rural lies between a traditional vision that identifies rural society with the 'countryside', and the consideration that rural space cannot be defined only with agriculture. In *Rural Developments* (European Commission, Directorate General for Agriculture 1997), the European Commission argues the impossibility of a universal definition of rurality while shedding light on the diversity of the European countryside.

In the absence of a coherent framework that combines rurality as a representation and rurality as a locality, this concept "is not treated as an object of investigation to formulate possibilities of an endogenous development on the basis of the emerging social needs. Rather, it is treated and discursively created as a field of political intervention subordinated to the logic of profit" (Vitale 2006, 100). The *Cork Declaration* (European Commission 1996) promotes "local capacity building for sustainable development in rural areas, and, in particular, private and community-based initiatives which are well-integrated into global markets". In this light, Vitale (2006) claims that endogeneity refers to those local resources (human, financial, economic, social, and cultural) which are activated on the basis of their own initiative and strength, rather than counting on public intervention, which is no surprise at the time of the withdrawal of the welfare state. The contribution of the LEADER Programme, for instance, is based on "the involvement of local actors so that they can reflect on the future of their territory and take responsibility for it" (Comunità Europea 2000), meaning that it is up to these agents to find new local development paths.

Cloke (2006, 18) argues that part of the difficulties in deconstructing the rural lies in its opposition to the urban:

> "while cities are usually understood in their own terms, and certainly without any detectable nervousness about defining or justifying that understanding, rural areas represent more of a site of conceptual struggle, where the other-than-urban meets the multivarious conditions of vastly differing scales and styles of living".

In addition, Saraceno (1994) claims that the approach to rural areas assumes both that the differentiation from their urban counterpart is a key one, and that rural economies can be interpreted as homogenous entities which are aggregated for analytical purposes. In reality, since rural areas are increasingly assuming the characteristics of urban areas, and the agricultural base is not as strong as before, such a criterion of spatial differentiation is rather debatable, and it may not be entirely appropriate in those cases where rural areas are fairly heterogenous, as in the case of Italy. Saraceno (1994, 468) very clearly states that

> "… if an area has diversified its economic activities either towards manufacturing activities, and/or towards service activities, while maintaining an agricultural structure, to give a rural label to it does not serve any interpretative purpose, and, even worse, to consider such areas as an aggregate category to be read against urban decline or growth, makes the concept misleading and meaningless".

Within the long-term dispute on how to define rural (Gilbert 1982), a large variety of definitions of the rural has emerged through academic discourses (ESPON 2006). Reviewing the vast literature on the concept of 'rural', in most cases its definitions overlap each other, and although expressed in different ways, they mean the same thing: for the purpose of this study, the approaches by two leading scholars in rural sociology (Halfacree 1993) and rural geography (Cloke 2006) are taken into account. Halfacree (1993) has identified four main approaches in the attempt to define rural by researchers: descriptive definitions, socio-cultural definitions, the rural as a locality, and the rural as social representation. The main characteristic of descriptive definitions is the distinction between rural and urban areas based on their socio-spatial characteristics, such as land use, the level of agricultural employment, the density of population, and the extent of built-up areas. The OECD (2006, 25–26) definition, for instance, is based on settlement structure within a region: "a region is classified predominantly rural if more than 50% of its population lives in rural communities, predominantly urban if less than 15% of the population lives in rural communities, and intermediate if the share of the population living in rural communities is between 15% and 20%". This explanation of rural, along with the definitions used by individual countries, relies on the assumption that rural regions have low population densities and are located in a region that does

not have a major urban center. According to this definition, more than 75% of the OECD land area is predominantly rural.

Within the descriptive definitions of rurality, the Finnish Rural Policy Committee (2004) defines three main types of rural areas on the basis of their development prospects: 1) urban-adjacent rural areas, which have the most favourable development prospects, mostly located in southern and western Finland; 2) rural heartland areas, dominated by primary production, whose municipalities are also located in southern and western Finland; and 3) sparsely populated rural areas, affected by negative development trends, mostly located in northern and eastern Finland. For the most part, North Karelia belongs to the latter category. As for Italy, the Strategic National Plan for Rural Development (PSN) (Ministero dello Sviluppo Economico 2007) classifies rural areas on the basis of population density (as is the case of the OECD), altitude, and the degree of local specialization in farming activities. Three main categories are identified: 1) rural regions with specialized intensive agriculture, mostly located in northern and central Italy, close to large urban poles; 2) intermediate rural regions, located in hilly and mountainous areas, which have a highly-diversified economic base and declining agriculture; and 3) rural regions with development problems, located not only in mountainous and hilly locations, but also on the plains of the south and on the islands. According to this classification, the territory of South Tyrol is considered a rural region with development problems, except for the city of Bolzano/Bozen. These regions suffer from low population densities and difficulties in providing private/public services in comparison to other areas of the country (OECD 2009). Woods (2005) notes that methodological difficulties arise with all the descriptive approaches to define rurality. For instance, wide differences exist when defining the maximum population size of a rural settlement according to the official definitions employed by the different countries. Halfacree (1993, 24) claims that "descriptive methods only describe the rural, they do not define it themselves".

The second set of definitions concerns socio-cultural definitions, which describe rural societies in terms of their difference from urban societies. The assumption is that population density influences behaviour and attitudes (Hoggart & Buller 1987, in Halfacree 1993). In 1938, for instance, Louis Wirth (in Halfacree 1993) associated 'urbanism' with dynamicity, mobility, and as an impersonal phenomenon. In contrast, characteristics of 'ruralism' are stability, integration, and rigid stratification. Tönnies (1957) characterized the rural in terms of *Gemeinschaft* (or community), and urban as *Gesellschaft* (or society). Such socio-cultural definitions have been designed to explain the transition of European society to industrial modernity in the last two centuries (Granberg & Kovách 1998); they have also created a sharp distinction between urban and rural. However, it was soon realized that this dichotomy was too simplistic. In consequence, some scholars conceived the rural-urban continuum idea, highlighting that communities show different degrees of urban and rural

characteristics. Even in this case, the urban-rural continuum was criticized by scholars like Pahl (1968), and Newby (1986) (both in Halfacree 1993), who discredited it as an over-simplified concept. The former claimed that the focus should be on the various classes which compose the rural population, rather than focusing on rural areas themselves. The latter in turn argued that "the sociological characteristics of a place could not simply be 'read off' from its relative location on a continuum" (Halfacree 1993, 25). The main criticism of both the descriptive and socio-cultural definitions is that they display an incorrect relationship between space and society. Firstly, space does not have intrinsic causal powers, nor it is the result of the sum of relationships (distances) between objects: "instead, space and spatial relations are both expressions of underlying structures – space is produced – and a means of creating further spaces – space is a resource" (Halfacree 1993, 26).

The third approach emphasizes those processes that might create unique rural localities, as spaces that have a concrete geographic location. Halfacree (1993, 28) argues that "rural localities, if they are to be recognized and studied as categories in their own right, must be carefully defined according to what makes them rural". This definitional approach demonstrates its weaknesses since "none of the structural features claimed to be rural could be proven to be uniquely or intrinsically rural" (Woods 2005, 10). An alternative definition of rural is that which defines it as a social representation, based on a progressive de-spatialization of the concept, as argued by Gray (2000). The issue of defining rurality as a social representation refers to "how people construct themselves as being rural, understanding rurality as a state of mind" (Woods 2005, 11). As a result, rural is not a fixed category; rather, it "becomes a fluid and blurred concept, totally dependent upon context and how the concept is produced and reproduced through social action" (Haugen & Lysgård 2006, 176).

Similarly to Halfacree (1993), Cloke (2006) has recognized three main conceptualizations of rurality. The first, which corresponds to Halfacree' s descriptive and socio-cultural definitions, has been defined as functional; the second conceptualization is given by politico-economic concepts, which delineate the rural in terms of the social production of existence; this second conceptualization is similar to Halfacree rural localities' definition. The last conceptualization defines the rural as social constructions (Halfacree's social representations), which are based on "more postmodern and post-structural ways of thinking" (Cloke 2006, 21). This social construct emerges from competing views of rural space and is the result of negotiation between networks of actors interconnected by power relationships (Storti et al. 2004, 5): "Rural people, farmers, professionals, academics, policy makers and other actors involved selectively draw upon the reservoir of social representations in justifying, articulating or privileging particular causes, social relations and interests" (Frouws 1998, 56). According to Woods (2005; 2009), within the last decade the dominant approach in rural geography has been to define rurality as

a social construct. If, on the one hand, this approach does not bond the 'rural' to geographical space, at the same time, it has become deterritorialized, being less attentive to the material state of the rural, which influences the experiences of people living, working, and playing in rural space (Cloke 2006; Woods 2009).

As a response to the deterritorialization of the term rural, there have been three attempts to 'rematerialize' this concept on the basis of three approaches. The first deals with the material and discursive situations linked with the geographical context of rural localities; for instance, Conradson & Pawson (2009, in Woods 2009) investigate 'peripherality' or 'marginality' in the light of economic development and identity politics in New Zeland and northern Norway; the second attempt at 'rematerialization' stems from the will to define rurality in terms of statistics and, as such, returning to the functional dimension. The third approach, Woods (2009, 851) claims, deals with "conceptualizing the rural as hybrid and networked space". This is rooted in two different pathways. One pathway, traced by Halfacree (2006, 51), is based on the Lefebvrian three-fold model of space and is characterized by three different facets: rural localities, which have distinctive spatial practices, and, as such, are characterized either by production or consumption. The second facet is the formal representation of the rural, which is, for instance, expressed by capitalist interests, politicians, or bureaucrats, while the third, everyday lives of the rural, is intrinsically fragmented and incoherent (Figure 7).

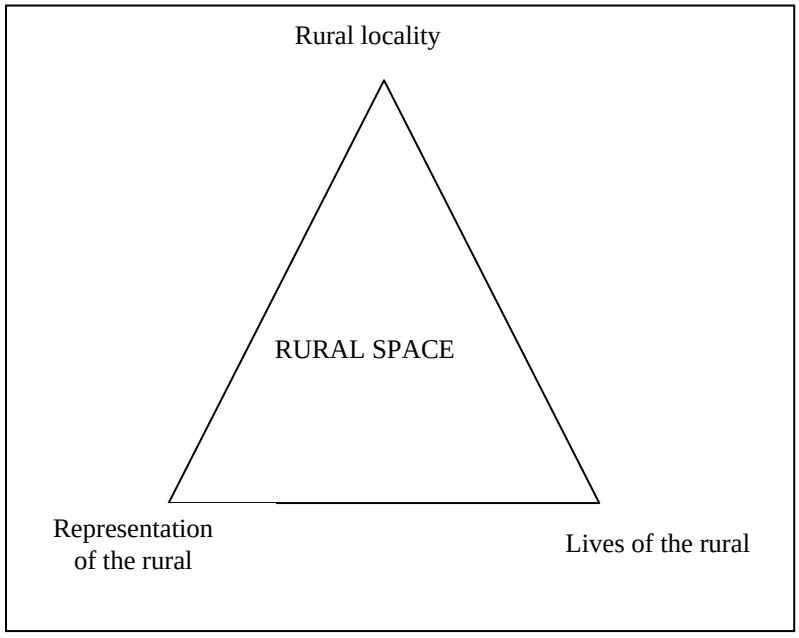

Figure 7: The totality of rural space
Source: Halfacree (2006, 52)

The second pathway, in contrast, is linked both to actor-network theory and to Deleuzian ideas, which highlight the rural as a multifaceted and constituted space "defined by networks in which heterogeneous entities are aligned in a variety of ways … [that give] rise to slightly different countrysides…" (Murdoch 2003, 274). To conceptualize the rural as hybrid and networked space is an important theoretical perspective concerning this study and its research questions, because as Woods (2009) remarks, it gives the possibility to complement the materialization of the rural with its social dimensions. The following sections discuss how the various disciplines of rural geography and agricultural geography have different constructions of the rural, and how these representations may, to a varying degree, overlap or take different directions from each other.

4.3 RURAL GEOGRAPHY

Within the context of the post-war technological revolution, the early 1970s witnessed the emergence of the field of rural geography; at that time, Clout (1972, 1) defined rural geography "as the study of recent social, economic, land-use, and spatial changes that have taken place in less-densely populated areas, which are commonly recognized by virtue of their visual components as the 'countryside'". The change in regional structures involved rural areas, but also the rapid growth of cities; the latter change in turn created an increased focus on urban research (Muilu 2010). Within human geography, rural research started to expand in the 1980s; in addition to primary industries, settlement structures, and land-use, which continued to be an important subject of investigation, research also started to focus on traffic infrastructure, unemployment, services, evaluation of planning, development policies of rural areas and policy-making (Muilu 2010).

It was also in the late 1980s that the cultural turn present in the human sciences emerged in rural research (Muilu 2010, 74). According to Cloke (1997, 371) such cultural turn that characterized different geographies, sociologies, and anthropologies was present in the following areas: 1) nature-society relations; 2) discourses of rural experience and imagination; 3) symbolic texts of rural cultures in different media, and 4) movements. Starting from the second half of the 1990s, Muilu (2010) notes that several articles published in journals such as *Economic Geography* and *Progress of Human Geography* reflect the multi-dimensionality of current rural geography. Rosenqvist (2006, in Muilu 2010, 75) argues that in the Finnish case, too, "the countryside is approached more and more as a social construction instead of the previously dominant physical-spatial point of view".

Woods (2009) claims that theorization and conceptualization in rural geography have been more relevant in some countries such as Britain and New Zealand than in others, including the United States, and I add, Italy: "the overall picture is therefore a discipline in which intellectual progress has been uneven, with the circulation of knowledge constrained by the continuing parochialism of much rural geography research" (Woods 2009, 850). Rural geography has a multidisciplinary character, and its boundaries with rural sociology and agricultural economics are blurred (Woods 2009). The multidisciplinary character of rural geography is well-displayed in the *Handbook of Rural Studies*, which, according to Muilu (2010), is the most extensive textbook on rural studies, including theoretical traditions and research subjects.

Rural research, rural development and rural policy are interconnected with one another and their challenging coordination is expressed by Cloke & Park (1980, 57), who argue that "a more dynamic strategy of rural research, involving greater cooperation between academic geographers and practicing planners, and focusing upon problems of rural deprivation" is needed. Muilu (2010, 74) argues that within the Nordic countries, the links between rural research and development have a strong tradition, especially in respect to the development of the Nordic or Scandinavian welfare state model; themes such as the changing nature of the rural concept, as well as the cultural turn have also become relevant. In Norway, Sweden, and Finland the many sparsely populated areas often witness changes in population structure; rural areas are also becoming increasingly desirable residential environments. Woods (2009, 854) claims that a key connection of rural geography is that with the geography of food. He goes on to say that food is a key interest for rural geographers, and "recent work has involved the development of wider connections as rural geographers have expanded their horizons beyond agriculture to the larger agri-food system". In this regard, not only is there a connection with economic geography, since, for instance, one is dealing with agri-food commodity chains, but there is also a connection with cultural geography because it investigates consumers' practices and attitudes (Woods 2003).

In this study, although rural geography is very relevant because it has the ability to link both the 'material' and the 'social' aspects of the rural, at the same time it presents some shortcomings, which are overcome by complementing it with agricultural geography, especially by what Morris & Evans (2004) define as the 'cultural turn' in agricultural geography. For instance, Woods (2009) (as all rural geographers) does not define what agriculture is, and at the same time he disjoins agriculture from the agri-food system. To what extent is it such a disjunction appropriate? As such, rural geography seems to strongly lean towards the 'consumption' dimension, uprooting it from agriculture; consequently, in the following section agricultural geography literature, along with its debates, is introduced. As will be shown, there is a clear separation between the two disciplines; while in the contemporary scholarly panorama

rural geography is clearly leading in popularity, agricultural geography is in the process of upgrading itself in the light of the new rural paradigm, which involves rural diversification beyond primary production. This study proposes itself to give new vitality to the discipline of agricultural geography.

4.4 AGRICULTURAL GEOGRAPHY

> "We talk about food security, but at the same time we seem to forget that the basic requirement for food security is a strong agricultural sector" (Maaseudun Tulevaisuus 18.04.2011e, 2).

On the basis of the reviewed literature, it appears that in most cases, contemporary scholars who undertake studies on the countryside either have a fairly distinct farm focus or, at the other extreme, they ignore farming issues; the latter is especially typical among rural 'social' geographers. This study aims at cutting across various aspects of rural society, policies, and politics; within this setting, the key assumption is that agriculture, as an intrinsic activity of human beings, is a complex social, cultural and economic system, where each of these 'ingredients' differ and have a different 'weight' in different contexts. Marsden et al. (1990, 11) argue that "rural areas have in common an historical dominance by the social relations of agricultural production and this inevitably conditions the comparative advantages and disadvantages they offer to other fractions of capital as well as their responses to restructuring processes."

In light of such considerations, this investigation illuminates how this millenary activity has been constructed in terms of policies, farming structures, and the role farmers have in the regions of North Karelia and South Tyrol; it also investigates how and to what extent agriculture is linked to rural economies. On a general level, agriculture has been described as "the purposeful raising of livestock and crops for human needs"; within economic classifications, forestry and fishing are placed within agriculture. In the latter regard, it is noted that especially in the Nordic countries, farmers combine agriculture and forestry, and in parts of Asia, coastal villages often practice both fishing and farming (Grigg 1995, 2).

Within contemporary society, it is common to 'secularize' agriculture from its socio-cultural significance, replacing it with economic concepts of maximized profit-making and the domination of market forces (Spencer & Stewart 1973); as Page (1996) remarks, agriculture is often interpreted as one of the arenas of capitalist development, and therefore it is under-theorized. In contrast, the reality is that "…for nearly ten thousand years agricultural practice has been more of a socio-cultural than a mechanistic profit-making endeavour" (Spencer & Stewart 1973, 531). Evans et al. (2002, 313), too, claim that "it has become fashionable to conceptualize recent shifts in agrarian priorities as a post

productivist transition from a previously productivist agriculture". This proposed dualism became quite popular in the 1990s as a convenient way to express the complex changes that the agricultural sector and rural areas were then facing: "With this change, the rural is increasingly separated from agriculture with new groups and interests gaining ideological ascendency, from the consumption of agricultural products to consumption and preservation of the countryside and the biodiversity held within it" (Børkhaug & Richards 2008, 100).

Nevertheless, the use of the dualism productivism/post-productivism is rather arguable; many scholars such as Haraway 1991, Sayer 1991, Massey 1996 and Murdoch 1997b have rejected such dualist thinking (in Evans et al. 2002). While the idea of post-productivism has gained ground in northern Europe, several scholars have noted that there might be competing rural development dynamics (Marsden 2003, Holmes 2006 in Børkhaug & Richards 2008), or "the dominant framing is in favour of a neoliberal regime of market productivism" (Potter & Tilzey 2005, 581). Concepts that try to summarize the dualism between productivism and post-productivism are multi-functionality and multifunctional agricultural regime. According to the OECD's working definition, the key elements of multifunctionality are the existence of multiple commodity and non-commodity outputs that are jointly produced by agriculture. While commodity outputs include food and fibre and other marketable products such as tourism, the non-commodity outputs consist, for example, of food security/safety, the rural way of life, and the protection of the environment, biodiversity and landscape (Van Huylenbroeck & Durand 2003, 4). Wilson (2001) proposes the phrase 'multifunctional agricultural regime', a term which recognizes the complexity of agricultural modes of production which may take place in different localities and at different times: "the notion of a multifunctional agricultural regime allows for multidimensional coexistence of productivist and post-productivist action and thought and may, therefore, be a more accurate depiction of the multi-layered nature of rural and agricultural change" (Wilson 2001, 95).

As a result of these debates concerning productivism, post-productivism and multifunctionality, regulation theory, actor network theory, and culturally informed approaches to agricultural and ecological modernization have emerged in recent years. In particular, cultural studies are suited to the purpose of this study as they are illustrative of the social construction of agri-environments. Cultural perspectives on agricultural change do not represent one coherent theory (Evans et al. 2002), but instead they consist of diverse works "characterized by a heightened reflexivity toward the role of language, meaning, and representations in the constitution of reality and knowledge of reality" (Barnett 1998, 380). Socio-cultural elements such as land ownership, farm structures, the farmers' role, and agricultural policies have played and still play a crucial role in determining a differentiation of agricultural practices. Land

represented the basis for all agricultural operations in earlier times, especially tenurial principles of handling farmland (Spencer & Stewart 1973). Moreover, during the early period of political democracy, agrarian interests and influences had a key role in European societies; this, for instance, was reflected in their strong representation in the political arena. This influence has remained even after the socio-economic structure of the countryside has deeply changed, leaving its traces on culture and mentality. These traces have in turn legitimized the support for a policy that favours agrarian interests and keeps the rural society alive, which in turn influences the culture and mentality (Granberg & Kovách 1998).

As a result, differences in agricultural practice should include both operational elements, and the cultural milieu within which agriculture is carried on. Spencer & Stewart (1973) have categorized agriculture according to three frameworks which are applicable to all forms of agriculture: systems, typologies, and regions. Each of these frameworks has its own subset of secondary criteria (see Table 1, for instance, which concerns agricultural systems). An agricultural region is an area of spatial similarity concerning patterns of agricultural production while agricultural typology distinguishes types of farming including a large variety of criteria such as crops, animals, crop/animal ratios, farm size, land productivity, market orientation, etc. (Spencer & Stewart 1973). Although agricultural regions and typologies are taken into account in this international comparison, agriculture is intended mostly as a system, with particular reference to societal, tenurial and institutional matrices, and to a smaller extent, to economic processes such as producer concentration.

Table 1: First order criteria for differentiating agricultural systems
Source: Spencer & Stewart (1973)

Set / Element		Aspects / Activities resulting
I.	**Organizational matrices**	**Organizational focus**
A.	Societal matrix	Social stratification
B.	Tenurial matrix	Occupance/land tenure
C.	Institutional matrix	Societal inputs/subsidies
D.	Labor matrix	Forms/grouping of labor
II.	**Economic processes**	**Decision-making**
E.	Producer concentration	Choices of crops/animals
F.	Dispositional process	Allocation of products
G.	Redistributive flow	Socioeconomic costs
III.	**Operational applications**	**Mechanics of production**
H.	Energy inputs	Application of energy
I.	Technological complementation	Additive technologies

While it is widely accepted that both British and Finnish rural geography have engaged the 'cultural turn', Morris & Evans (2004, 95) claim that "…a reading of recent reviews suggests that the cultural turn has largely, if not completely, bypassed those geographers interested in the agricultural sector". The latter authors suggest that there have been important links between agricultural geography and the cultural aspects within agriculture. When it comes to considering the cultural turn in agricultural geography, it is not so easy to review the influence of culture on this geographical discipline since the institutionally-defined divisions of geography have not been able to effectively tackle a discipline which is so embedded with political, economic, social, and environmental factors. Agricultural geography was an important sub-field of economic geography for several years; however, since the 1980s the decline of agriculture has called into question the significance of this geographical discipline while rural geography started to become prominent (Morris & Evans 2004). There are five main reasons that explain such a decline in the significance of agricultural geography. The first is 'research fashion'; early in the 1990s when the cultural turn appeared in rural studies, several researchers started to favour the investigation of non-farming rural matters instead of agriculture. This situation was opposite to the so-called 'fallow years', when rural was associated with agricultural. Secondly, and more important, the countryside has become also a place of consumption; rural research was quicker to assimilate the notions of consumption than agricultural research, which traditionally has been intertwined with production. Thirdly, until the late 1980s and early 1990s, political economy perspectives by agricultural geographers dominated theory, overshadowing other types of analysis. Fourthly, much research is oriented towards the policy field within agricultural geography. Fifthly, the fact that agricultural geography belongs to economic geography has led to "an overbearing influence on the orientation of agricultural research, one that political economy theorizations endorsed rather than removed" (Morris & Evans 2004, 98).

According to Morris & Evans (2004), one of the causes of the cultural turn in the study of agricultural geography has been the dissatisfaction with the theoretical dominance of political economy within this geographic field. Magnaghi (2010, 193) argues that within the evolutionary process of economic activities from the secondary to the tertiary sector, the dominant economic policies consider agriculture a subsidiary sector, which is limited and oriented only to agro-industrial production for the markets. Industrial development selects one type of agriculture, which implies the limitation of cultivation surfaces, the abandonment of marginal areas, etc. In contrast, the land has always been the place of many agricultures, of many and diversified systems of cultivation linked to the characteristics of the soil, of the climate, of the environment, of the community, and of traditions. By definition, the term agriculture has strong 'cultural' connotations (Morris & Evans 2004); Eagleton

(2000, 1) argues that "one of the original meanings [of culture] is 'husbandry', or the tending of natural growth… The word 'coulter', which is a cognate of 'culture', means the blade of a ploughshare. We derive our word for the finest of human activities from labour and agriculture, crops and cultivation". If agriculture involves both economic activity and socio-cultural practices, "farming contributes not only economic value to society but also shapes the way in which some populations live and create an agrarian culture within that society" (Liepins & Bradshaw 1999, 563).

According to Morris & Evans (2004) the cultural turn in agricultural studies (whose first signs were already visible in the behavioural studies of the 1970s and 1980s, characterized by studies of farmers' goals, values, and attitudes, but also in the social, anthropological studies of rural communities undertaken in the 1950s and 1960s) has been identified in four areas, at least in British agricultural geography: 'representation of agriculture' and 'nature-society relations', which are the most common, and also 'heterogeneous agricultures', and 'enculturing the agri-food economy'. However, these two authors cautiously remark that, as it is the case within social science as a whole, the coherence, as well as the self-conscious development of this agricultural turn, is debatable. At the same time, they claim that such new perspectives can be an important contribution for strengthening the theoretical, methodological and empirical approach to the field, in the sense that culture can help or limit discourses of power. The most relevant area for the purpose of this study is the representational discourses of aspects of agricultural life; scholars have investigated the many competing discourses concerning specific agricultural phenomena, and at the same time, how discourses influence and structure experience and action, giving special consideration to the role of power. Within this setting, a cultural emphasis can help or limit discourses of power (Morris & Evans 2004). In the constant dispute over redefining relations, economic distributions and social stratifications, power is an implied concept where characteristics emerge from the "observation that certain actors impose 'their' rurality on others" (Murdoch & Pratt 1993, 411–424).

4.5 THE 'MODERNIST' VERSUS THE 'ALTERNATIVE' DISCOURSE ON RURALITY

According to Cruickshank (2009, 105), "the 'redundancy' of the rural is not a truth, but is contingent on a modernist discourse"; he argues that the representation of the 'rural' concept can be interpreted on the basis of two types of discourses which deal with nature and natural resources in a different way: the modernist discourse versus an alternative discourse, where the latter is based on local and regional autonomy. Cruickshank (2006, 184) claims that the evolution of the idea of rurality is deeply connected with the modernization

process in the Western world. The roots of Western modernization are usually identified in the Enlightenment period, when human reason replaced religion or popular belief as the ordering pillar of society (Foucault 1998, 1966, in Cruickshank 2009). Modernization was the result of the victory of culture over nature. Based on the ideas of Kant, the modernization discourse creates a divide between human ideas and the world. Within the context of modernization, Foucault has coined the process of governmentality to depict the deep change concerning the relationship between the state and civil society, which has affected the meaning of rurality and rural areas. Governmentality is a process through which the state intervenes in earlier autonomous units of rural areas. According to Lyson (2006, 293), less than 150 years ago "…the household, the community and the economy were tightly bound up with one another. The local economy was not something that could be isolated from society. Rather, the economy was embedded in the social relations in the household and the rural community".

Cruickshank (2009) argues that when nation-states arose in Europe three general concepts emerged: the people, the political economy, and the governing of the people. In the past, the population of a nation did not exist; rather, one talked about members of families, villages, or local communities. The feudal state was the sum of villages, and rule concerned the imposition of sovereignty over a specific territory. People, rather than families, became visible through statistics, the science of the state. When the concept of people rose in importance, the family as a governing model became outdated; thus, the concept of economy deeply changed, since it was no longer applied to the family setting, but to the entire state. Therefore, the modernization discourse has developed along with the emergence of nation-states, whereas families and local communities are no longer models of social and institutional organization. Bauman (1992, 6) argues that Western modernization, particularly the modernization of Northern Europe, is "first and foremost the centralization of social powers previously localized". Within this context, Cruickshank (2009, 100) gives the example of Norway; before World War II society in this Nordic country was characterized, on the one hand, by the capital, Oslo, and, on the other, by the dominating rural society, which had its own political life. Then, after World War II, the Labour Party took control of the whole country, giving birth to the welfare state, as in many other countries of Western Europe. However, the specificity of this country is that rural movement took the form of a protest against the modernization project led by the hegemonic Labour Party: "the critique was raised against the power of narrow-minded technocrats, and there was a protest against the superior position given to national economic growth and the particular version of modernization that was being associated with the one-party state" (Slagstad 1998 in Cruickshank 2006, 185). Furthermore, one can argue that Norway has always been characterized by the so-called two-culture theory, which started in the period of nation-building towards the end of

the 19th century. This means that in the Norwegian system there has always been a clear territorial and cultural divide between the capital and the countryside. The countryside has a culture of its own, and it has been able to challenge the modernization winds from the center: "what is rejected is not modernization or change in general, but the kind of modernization that contributes to centralization". It is on the basis of the two-culture theory that Norway has been able to give to its sparsely populated areas a symbolic meaning (Cruickshank 2006, 186). The empirical data of this study provide different insights on whether other geographical areas of Europe are characterized by a two-culture theory, which nowadays is an extremely rare phenomenon.

Rooted in the modernization process – intended in this specific case as the victory of culture over nature, and as the centralization of powers previously localized – rurality as a modernist discourse is represented by three main characteristics: firstly, it is assumed that rural is associated with a pre-modern and traditional society, dissolved in the distinction between urban versus rural: "the rural is in other words a traditional society that is not allowed to change unless it becomes non-rural" (Cruickshank 2009, 101). Saraceno (1994, 468) concurs with Cruickshank (2009) when she claims that "the paradox of rurality is that it is defined in negative terms and can only remain rural if it does not change or if it declines. It is impossible for a rural area to develop without automatically becoming non-rural". Thus, in the modernist discourse, 'rural' is something stable and static, which is in contrast with the dynamicity of urban life. Rural is there to be protected, and the increased attention paid to rurality has led to the creation of a rural identity and an urban-rural dichotomy (Cruickshank 2009). According to Cruickshank (2009), when Mormont (1990) argues that development has led to the creation of the rural as a well-defined social category, he is approaching the rural within the modernist discourse.

The second characteristic of rurality rooted in the modernist discourse is that production (as the exploitation of natural resources) and culture (as the idyllic place) are two separate entities (Cruickshank 2009, 101). Along with the rise of industrial cities, the rural has been depicted as the idyllic alternative to urban environments (Little & Cloke 1997, in Cruickshank 2006). Bunce (1994, in Cruickshank 2006) claims that this depiction of rurality is the result of the vision of middle-class urban and suburban inhabitants, mostly, it may be added, relatively wealthy, and with a greenish political and social background. Mormont (1990, in Cruickshank 2006) argues that in many countries rural movements dissociate themselves from the productivist regime of the countryside. This conceptual split can be identified, for instance, in many northern European countries, including Denmark and England. In Norway as well, rural movement dissociated itself from production, but a certain type of production, particularly the large-scale trade oriented production promoting national growth. In contrast, diversified small-scale production (for instance, small farming and coastal fisheries) represented an important factor in regard to

the idea of rurality. If the rural is considered as intrinsically non-modern, on the one hand, and as an area for human production or recreation, on the other, then the dispute between modernists and traditionalists is being framed within the modernist discourse itself (Cruickshank 2009, 104). Shucksmith (2008, 63) remarks how rural areas in Britain are viewed as "pastoral backwaters whose function is to look attractive, for recreation and perhaps for residence, but which will benefit from adjacent urban vitality". Traditionally, in Britain agriculture has represented a low priority since the 18th century industrialization process, when farmers were forced to leave their houses and were recruited for the city factories (Cruickshank 2009). Agriculture was also downgraded in importance because it was cheaper to produce farm products in other parts of its Empire. Apart from a few exceptions, Bunce (1994, 37) argues that ideas about the countryside in Britain have been dominated by an urban-based nostalgia, coining for this purpose the term 'armchair countryside'.

The third characteristic of rurality rooted in the modernist discourse is given by a different conceptualization of the territory. In the historical period characterized by fordism and mass production, the traditional theories of development, grounded on unlimited growth, are increasingly treating the territory in oversimplified terms: the producer/consumer has replaced the inhabitant, the site has replaced the concept of place, the economic region has replaced the historical region and the bio-region (Magnaghi 2010, 25). Due to technological developments, the territory, from which we are being uprooted from, is represented and utilized as a mere technical support for economic activities and functions, which are localized according to inner rationalities of the technological and socio-economic contexts, and always more independent from the relations with the place and its identity, as well as with cultural and environmental elements. The progressive removal of territorial bonds (de-territorialization) has brought in the course of time an increasing ignorance of the relation between human settlement and the environment; the destruction of the memory and biography of the territory makes people live in an 'indifferent' site, where the role is to support an 'instant society' (or, as I may add, a 'facebook society') which has suddenly interrupted any relation with the history of the place (Magnaghi 2010, 30–31).

To sum up, the territory – in its complex and integrated meaning of physical environment, built environment, and human environment – is simply buried, reduced to an abstract, timeless space of the economy. The 'local' disappears, because local identities and locales disappear as employable values within the model of economic development and modernization (Magnaghi 2010, 38). The pervasiveness of this deterritorialization process increasingly produces uprooting and loss of identity. This process inexorably affects the agricultural territory (and with it, the agricultural landscape): in its turning towards factories, the agricultural territory merely supports artificial processes until the extreme hypothesis of uprooting agricultural production from the land is

reached. By means of technical knowledge and technological prostheses, one can localize himself/herself in full freedom, everywhere, everything, always. The removal of territorial links, which for some time has allowed tremendous mobilization and valorization of environmental and human resources, has also in the longer run produced dependency and fragility. Contemporary metropolitan urbanization, for instance, is fed by resources attracted from increasingly distant territories; thus, it determines a strong territorial hierarchy with increasing growth of poverty, and the dependency of the peripheries (Magnaghi 2010).

Some relevant forms of regulating the land, which may lead to processes of 'reterritorialization' (or re-appropriation of the territory), however, are present in contemporary Europe. In Norway, for instance, land ownership, which is regulated by the Norwegian *Udal* system, has strict rules both for land purchase and use. According to the Concession Act of 2003, property holdings are regulated by the 'fixed residence' regulation, which means that the owner has to live on the property *in persona* for a minimum of five years after taking possession (Mønness & Arnesen 2008). In France (and recently in Italy with a pilot project in a small Piedmontese municipality), concrete strategies are being taken to deal with the progressive depopulation and deterioration of the local economy in the Alps. In order to mitigate the abandonment of cultivated lands at high altitudes, which is not an exclusive problem of the Alps but a global process which involves all mountainous areas of the world, the idea of the 'land association' arose in France, in Italian the '*associazione fondiaria*' (Dematteis 2010). The land associations are free associations between land owners and the municipality, where the municipality functions as a catalyst to put together land properties which are abandoned or badly utilized in order to create a sufficiently large territorial unit that will be managed in a proper manner, with simple techniques such as pastures, or pastures integrated with some form of traditional agriculture. The ultimate goals of these 'land associations' are the preservation of the territory in terms of the viability of its landscape and, in the long run, the triggering of potential economic development processes. These attempts at regulating the land are deeply linked to how the territory is to be conceived. For some environmentalists, for example, processes in which nature is returning to its 'primitive state' is a positive aspect, and land abandonment may be considered a positive thing. For those who see it negatively, "woods and forests that grow in abandoned lands probably bode well for wolves and deer, but they are less rich in species in comparison to traditional agriculture, with its pastures and hedges … in contrast, a newly-formed forest does not diversify for at least a couple of centuries" (Theil in Dematteis, 2010, 11).

These reterritorialization processes may be well ascribed to what Cruickshank (2009) defines as 'alternative discourse', rooted in local autonomy and capacity in handling the territory. This is in contrast not only to the modernist discourse of rurality, but also to the globalization phenomenon,

which in light of certain geopolitical interests described in Section 4.1, is uprooting the control of policies away from sovereign nation-states. According to the alternative discourse, Cruickshank (2009, 102) claims that "in Norway rural is not the idyllic pendant to rural production … the Norwegian economy has its basis in rural", and natural resources (fish, water energy, or milk just to take a few examples) produce culture and rural settlement. He (2009, 104) argues that the key to Norwegian prosperity (beyond the success of the Nordic model of welfare state and the petroleum resource) is "a political will to protect natural resources from capitalist exploitation and to share the increased product from hydropower, fish and petroleum equally among the population". The desire for autonomy is the key to the alternative discourse (Cruickshank 2009, 104): "political questions would more fundamentally be about regional and local autonomy from the State and who should benefit from and be allowed to exploit natural resources". In Norwegian rural policies, value creation stimulation is not detached from the goal of maintaining a dispersed settlement pattern, where the concern seems to be a priority among political parties and ministries.

According to the alternative discourse, rural is not a static, intrinsically unmodern category, but an open category. In general, European rural policies, Cruickshank (2009) argues, strive to protect vulnerable rural areas without considering that this vulnerability is the result of a modernist approach to the rural. Nowadays, the way that we structure rural policies is restricted by discourses, which, according to Cruickshank (2009), constrain the scope of action in the approach to the rural. As a consequence, it is important to investigate how discourses work, and what they take for granted. In this study, the modernist discourse and the alternative discourse are important frameworks for understanding how to construct rurality, and at the same time what structures the governing of rural areas both in North Karelia and in South Tyrol.

4.6 CURRENT DEBATES ON THE ROLE OF THE COUNTRYSIDE IN FINLAND AND IN ITALY

> "An urban project is going on. In Finland they want to see the country more urbanized than it actually is" (Katajamäki, Maaseudun Tulevaisuus 11.02.2011g, 15).

Especially in the Finnish context, the debate on the role of the countryside is voluminous; the goal of this section is to discuss a number of specific aspects in both the Finnish and Italian contexts in order to provide concrete examples on how rurality may be interpreted in different geographical areas and, above all, to provide a better understanding of the contexts in which North Karelia and South Tyrol are situated. Different rurality discourses have been extracted from the newspapers *Maaseudun Tulevaisuus*, *Karjalainen*, and *La Repubblica*.

In Finland, until the 1970s the borders between different municipalities clearly divided the urban from the rural. The social structure was clearly different; if any part of the countryside, or better, if any part of a rural municipality started to be very different, for example, as a result of industrialization, it was clearly differentiated from the structure of other rural municipalities and was attached to a city. While today in many cities rural areas can be found, since the late 1960s the Finnish population has been drastically concentrated: 80% of the current population lives in 2% of the surface area, while only 15% of the population lives in sparsely populated areas. As a result of these drastic changes, the traditional city does not necessarily imply a large population. In Kaskinen for example, the smallest city of Finland with a population of about 1500 inhabitants, the residents perceive themselves unambiguously as "city people". According to a survey by SITRA,[10] 19% of Finns perceive themselves as rural inhabitants, 40% as city dwellers. About one-third consider themselves both rural and urban residents (Maaseudun Tulevaisuus 11.02.2011g).

In spite of the fact that the urban/rural divide is increasingly blurred, Katajamäki (Maaseudun Tulevaisuus 11.02.2011g, 15) claims that "the Finnish mental map emphasizes the rural. Small centers and in fact the whole area outside metropolitan Helsinki is perceived in a broad sense as rural". Similarly to this notion, another article in Maaseudun Tulevaisuus (25.03.2011f, 3), is entitled "For many the countryside means nostalgia". Katajamäki goes on to say that this mental image, this nostalgia of the rural, will disappear in 20–30 years' time: mental and spiritual detachment from the countryside will strengthen in large cities within the newly-born generation (Maaseudun Tulevaisuus 11.02.2011g, 15).

In the public debate, the countryside is either criticized or defended (Maaseudun Tulevaisuus 11.02.2011g, 15). On the one hand, in the national debate the opinion has emerged that the countryside is a burden to the society as a whole and that people should move to the nearby areas of large cities. In recent times, the newspaper continues, this is grounded, for example, in the climate change issue. On the other hand, people who live in the countryside should have access to the same types of services that are offered to urban centers (Maaseudun Tulevaisuus 8.11.2010a, 2). A study by Sireni (2011) reveals that a large majority of 'rural' politicians oppose the concentration of population in villages. The vast majority has also argued that it is unnecessary to limit scattered housing for environmental reasons. According to her research, the opinion of politicians that villages should be kept alive and functioning was consistent despite their political affiliation; on the other hand, settlement concentration is promoted by the Ministry of the Environment. However,

[10] SITRA is the Finnish Innovation Fund; its goal is to promote stable and balanced development in Finland, including the growth of the economy, competitiveness, and cooperation (Sitra 2011).

solutions do not work in the same way both for urban and rural areas: villages in rural areas are small and own services are weakly developed. For instance, public transportation is low, doctors on call are often stationed in neighbouring municipalities, and many other services are located in the city. Moreover, the climate effects on community structure should be considered on the basis of other parameters than just driving distances. In the countryside one can, for instance, produce and consume renewable energy, produce local food, and handle waste nearby. This is not possible in the cities. Within the debate which focuses on the use of cars in sparsely populated areas, a relevant role could be found for electric cars (Sireni 2011).

Similarly to Sireni (2011), Uusitalo, one of the most influential rural policy-makers in Finland (if not the most influential), states that "in the countryside there are better possibilities for development now than during the last fifteen, twenty years" (Karjalainen 22.10.2010). To support his argument he mentions global processes such as energy and migration. He argues that wood nowadays has different purposes of use, and because of the climate change Finland in the next twenty years will be a country where people would like to move to. As such, it is neither realistic nor logical to believe that the countryside has no future. The most important thing when considering the countryside is its intrinsic diversity. Agriculture, forestry, and environmental issues are important sectors for the development of the countryside, but 'sectors' by themselves no longer work. A focused and equal action is needed at five interacting levels: international, national, regional, municipal, and village. At the seminar "Do we need the countryside?" ("*Tarvitaanko maaseutua?*", held in Joensuu in February 2011, where a variety of civil servants and politicians have participated) Karjalainen (15.02.2011b) titled triumphally its story "The countryside rises again" (*maaseutu nousee taas*); at this seminar, the claim was made that the potential to lead the Finnish countryside into a new flourishing era would improve daily. Nature, peace, food, and clean water have become the cornerstones of the recent "country brand" working group report, and they are all located in the countryside. If, on the one hand, these collected discourses suggest an increasingly urbanized view of the countryside, on the other hand, a fairly optimistic approach seems to characterize the official Finnish rural policy line about the development of rural areas.

If one considers Finnish politics and its approach to the rural, Eeva Hellström, director of the *Maamerkit* Programme (conducted by SITRA), claims that "rural affairs mostly spark the interest of the Green Party as well as Centre Party supporters. Their point of view, however, is different: the Green Party's supporters emphasize green industry opportunities, organic and local food, and the condensation of community structure. Supporters of the Centre Party, instead, stress economic support to the countryside, sparsely populated housing areas and the development of rural livelihoods" (Maaseudun Tulevaisuus 25.03.2011f, 3). However, in the light of the Finnish parliamentary elections of 17

April 2011, this may no longer be the case. The high rise in political support by civil society for the Perussuomalaiset (or The Finns) Party has, on the one hand, deeply shaken the traditionally stable Finnish democracy and, on the other, may challenge the Centre Party in the coming years in attracting supporters who favour sparse settlement and economic support for the countryside. Similarly to the Norwegian case, The Finns Party may represent in the future a form of democratic protest in the countryside against the modernization project led by the mostly-urbanized (at least in my view) Conservative Party, Social Democratic Party, and Green Party (and to a smaller extent, Centre Party, especially today).

Within the Italian context, an article by the newspaper "La Repubblica" (15.06.2009a, 27), on the basis of a book written by the sociologist Barberis, ("The revenge of the countryside"/*La rivincita delle campagne*), claims that there are about 23 million Italians who live in municipalities defined as 'rural', about 500 000 more than ten years ago (an increase of almost 40%). In his book, Barberis remarks that the new Italian rural society is richer, more educated, and younger. About fifty to sixty years ago, Italians abandoned "*le campagne*", escaping misery and chasing the industrial 'mirage'; this flow towards the cities then stopped, and in the current phase Italians are returning to "*le campagne*". However, according to *La Repubblica,* Barberis's book is controversial. On the one hand, the urbanization phenomenon seems never ending (more than half of the world population lives in an urban context, according to the United Nations), especially if one considers the urban sprawl characterized by the increasing number of cottages and warehouses; on the other hand, there is the assumed existence of a 'new rurality' described by Barberis. The Italian sociologist claims that in Italy the rural is well under way to matching the urban, both in terms of income per capita and in terms of expenditures. 'Reruralization' (*reruralizza-zione*) is affecting the richer areas of the country more than the poorer ones: this means all the regions of the Center-North; *Puglia* and *Sardegna* are exceptions in the South. However, 'rural' Italy is not 'agricultural' Italy. Barberis argues that the 'rus' (or *campagna*) attracts more and more, and agriculture less and less.[11] In sum, the article by La Repubblica (15.06.2009a) brilliantly summarizes that: "rural Italy grows, in many respects many indicators are matching those ones of the cities, but the 'steamroller' of cement may crush everything, in the countryside as in the cities".

[11] While Italian people are increasingly populating the countryside, the cultivated hectares have decreased from 15.8 s in 1982 to 12.7 today. This has implied an increasing 'cementification' of the territory (3 million apartments have been built in the last 10 years) as well as its overall abandonment. The case of Rome is quite representative. In the past, the agricultural and forest surface of the Eternal City made it the most agricultural municipality in Italy. In the 1970s 2 700 000 people lived in the capital region, and the agricultural/forest territory was of 103 000 hectares, in 2001 the inhabitants were about 2 100 000, but the forested or agriculture land declined to 51 000 hectares, half of 1970 (La Repubblica) (15.06.2009a).

In another article by La Repubblica (15.6.2009b, 29), a scholar of agriculture and landscape, Bevilacqua, claims that "it is true that the city is voraciously eating everything ... it is true for some areas of the world. In others like in Italy, the issue is more complex. An important aspect is that agriculture is becoming multifunctional, which means that beyond production, it provides services which are often of high quality such as tourism, and good food". He agrees with Barberis when the latter explains rurality not in terms of people employed in agriculture; however, Bevilacqua adds that rurality is increasingly not a synonym for 'green': "if it is true that the workforce employed in industry increases in the countryside, I fear that this will take away the green spaces". The same argument can be made when referring to the small cottages which are invading the Italian campagna. Therefore, he concludes that in spite of the fact that Barberis is correct about the new rurality, the cementification drama affecting the *campagna* cannot be underestimated.

Despite the fact that the notion of 'rural' is present in the Italian debate, Saraceno (1994) claims that the regional/local approach has traditionally had more success than the urban/rural one. The regional/local analysis tackles territorial systems (regions, group of regions, market basins, etc.) on the basis of cities of different sizes with a diversified countryside. This type of analysis started by explaining the bipolar development in the country between the Centre/North and the Mezzogiorno (in the so-called meridionalist literature), and continued by investigating the three Italies (Northwest, North-East-Centre, South), where the small and medium-sized enterprises were opposed to the large ones (Bagnasco 1977 in Saraceno 1994). Lately, the regional analysis has dealt with a great variety of local economies which compete and, at the same time, are linked to each other in the world market (Becattini 1987 in Saraceno 1994).

Saraceno (1994) claims that one key reason that justifies a functional area approach is that in Italy rural areas have played different roles at different points in time; at the beginning their role was to feed a growing population with slow top-down industrialization, then augment agricultural productivity to favour the growth of urban industrialization, and finally to create capital, human resources, and diffused industrialization. It is also claimed that rural areas in Italy have never for a sufficient period of time or for a large part of the national territory played the exclusive role of providing food for the urban population: "rural areas have modernised or simply reproduced as mixed economies" (Saraceno 1994, 455). Thus, they are not a homogenous entity in the Italian experience. On the contrary, France, for instance, has according to Saraceno (1994) had a more 'classical' pattern of development, which has concentrated population and non-agricultural jobs in urban centers while rural areas were characterized by agriculture and a lower density of population (similar to what has happened in Finland).

Thus, it is fairly inappropriate in Italy to define *a priori* where the 'rural' cut-off point can be made. The settlement structure in the country is highly articulated and diffused; different regional traditions of farmers' patterns of residence and the permanence of local mixed economies also "turn density or demographic size-class into misleading indicators of rurality" (Saraceno 1994, 465). Therefore, instead of using the urban/rural category, which is based on non-contiguity and homogeneity of spatial characteristics, the regional/local approach is based on the effects of heterogeneity and contiguity.

Summarizing the argumentation of this chapter, the concept of 'rural' seems to have in the contemporary era a fairly ambiguous and often negative connotation when associated with development models. Its appropriateness is dependent on geography and time; the impression is that as an indicator of development (especially today), it may contain several flaws, the most relevant being the fact that in the developed world the boundaries between urban and rural are increasingly blurred, and such phenomena concern most aspects of societal life. In the next chapter, we investigate how rural has been interpreted in the EU, Finnish and Italian policies.

5 Rurality and Policies: The EU, the Finnish, and the Italian Practices

5.1 'RURAL' IN THE EVOLUTION OF EUROPEAN POLICY DISCOURSES

Social and political discourses are organized and processed within policy domains. "A policy domain is a component of the political system that is organized around substantive issues" (Burstein 1991, 328). The same concept has been defined in a variety of ways, including 'policy areas', 'sectors', 'subsystems', 'dimensions', 'issue domains', and 'programs'. Scholars who deal with policy domains define them in three different ways. The first approach is defined as substantive or functional: issues that characterize a domain have specific inner characteristics, which influence the way in which they are organized and tackled. Nowadays, however, sociologists and political scientists have started to put less emphasis on the 'inherent' characteristics of policy domains. In contrast, they state that policy domains are mostly the result of social constructs and are framed by those actors who are involved in politics. In this light, while some scholars stress the organizational foundation of social construction, others approach policy domains as cultural constructions, through which organizations and individuals undertake their actions (Burstein 1991).

At the practical level, the substantive, organizational, and cultural approaches are often linked to each other, and they are all useful when investigating policies in different contexts, and how such policies have co-evolved. The evolution of the rural in European policies is strictly linked to the evolution of the debate on economic development in rural regions, especially in the academic fields of rural geography, rural sociology, agricultural economy, demography, ecology, rural planning, and administrative sciences. Within this debate, at different points in time, three main approaches have emerged: the exogenous development approach, the endogenous development approach, and the mixed exogenous/endogenous development approach (Terluin 2003).

In post-war Europe, exogenous development was the dominant approach to explain rural development, and it referred to policies which addressed the modernization of the agricultural sector, the location of branch plants, and the

creation of employment opportunities in rural areas (Terluin 2003). The goal of development agencies was to build infrastructure, especially transport and communication, as well as supplying power and services to the sites of factories. According to Baldock et al. (2001), most European countries adopted this type of approach, and it was particularly strong in France, Ireland, Italy, the UK, and in the Nordic countries. By the late 1970s, the exogenous model became the object of criticism, because it relied on subsidies and policy decisions from distant organizations and agencies (Ward et al. 2005). The industrialization of agriculture led to saturation within domestic markets and environmental problems; the recession of the early 1980s also witnessed the closure of many branch plants. These problems led to the exploration of endogenous processes; since the late 1970s and early 1980s concepts such as self-reliance, basic needs, and eco-development, which embody an endogenous approach, started to be developed (Vitale 2006). Priority was given to the 'process' more than the results, in particular to horizontal cooperation and bottom-up participation. Compared to the exogenous model, the benefits of endogenous development tend to be retained at the local level (Saraceno 1999, 451). Endogenous development is based on the idea of local resources (see, for instance, Picchi 1994; Hubbard & Gorton 2011), and the assumption that the "specific resources of an area – natural, human, and cultural – hold the key to its sustainable development" (Lowe et al. 1995, 91).

Baldock et al. (2001) claim that 'endogenous' ideas have four main sources. Firstly, the positive experience of certain rural areas in the 1970s and 1980s was recognized, for example, the 'Third Italy', whose internal dynamism had until then gone largely unnoticed. Secondly, regional movements and agencies started to encourage bottom-up development and a diversification of the rural economy; examples can be found in the work of development agencies in Ireland, France, the Scottish Highlands and Islands, in the rural Wales, in mountain community projects in Italy and Austria, as well as in the village work and development run by rural activists in Sweden and Finland. The third source was generated by the debate on rural sustainability, where the aim is to link environmental protection, economic development, and social viability. The fourth source comes from the idea of self-reliance promoted by radical greens, as well as by development activists who work with particularly marginalized groups (Baldock et al. 2001).

The endogenous approach, however, has been criticized for two reasons. Firstly, it ignores issues of control; for instance, on the basis of Picchi's (1994, in Hubbart & Gorton 2011) argumentations, the activities of international mining companies would be an example of an endogenous approach, but at same time, such activities do not offer local autonomy (Lowe et al. 1995, in Hubbart & Gorton 2011). Furthermore, self-sufficiency in current markets seems to be an unrealistic concept; for instance, medium and small-size enterprises are considered one of the cornerstones of the endogenous development approach;

however, their success is dependent on access to larger, urban markets (Hubbart & Gorton 2011). Consequently, another approach has emerged; this approach, defined as neo-endogenous, combines local and external forces "so that programmes can never be built on solely endogenous or exogenous resources" (Hubbart & Gorton 2011, 83). LEADER policy for instance, according to Ray (2000 in Hubbart & Gorton 2011), is a typical example of the neo-endogenous approach.

Since the beginnings, European policies have been designed to take into account the evolution of these rural development approaches (Baldock 2001, 15). Gray (2000) identifies different stages of the evolution of the 'rural' in European policy discourses. The earliest phase took place during the formation of the European Community, and involved the devising of the Common Agricultural Policy in the late 1950s and early 1960s. As a response to wars and political fragmentation, a unified European Community required both a common space and common goals for integration; agriculture proved to be one of the benchmarks that started the process of such integration (Bowler 1995 in Gray 2000). The main characteristics of the Common Agricultural Policy were a single market with no internal tariff protection and a preference for agricultural products from the Community (supported by an external tariff on products entering from outside the Community); the financial burdens and benefits of the CAP were shared by the Community as a distinctive entity. In its earliest period, the European Community defined agriculture as the encompassing concept of rural space (Gray 2000, 33–35).

The latter statement holds true also for the second stage of the Common Agricultural Policy, where the rural is interpreted as a 'locality', so that its policy practices could be implemented. In order to promote social equity and sustain farming localities, the Common Agricultural Policy embraced market intervention schemes to support the prices that individual farmers received for their products. At the same time, the CAP adopted structural measures or resource-adjustments, with a goal of controlling the productive capacity of the agricultural sector and to guarantee a balance between the supply and the demand for agricultural products in the Community. These mechanisms however, brought contradictory effects; firstly, subsidizing markets led to greater surplus, because farmers could increase their production through technological innovation. Secondly, larger farms were able to take greater advantage of price supports than small family-farms. Thus, the result was an increasing disparity in farm incomes and an increasing gap between small and big farms (Gray 2000).

While in the first two stages the CAP was underpinned by a top-down approach, in the 1980s the third stage of the evolution of European policies experienced a deep change; agriculture was no longer going to encompass the rural space; rather, the rural space started to include a variety of activities, such as small industries, leisure activities, as well as agriculture, thus involving a

more integrated approach typical of the endogenous and neo-endogenous ways of approaching rurality. This shift, Gray (2000) argues, is clearly noticeable in the 1988 Commission Report *"The future of rural society"*. Burrell (2009, 272) claims that pressures for change resulted from a variety of factors. Firstly, the European Union integration aims and projects – including the single market, monetary union, energy policy, and the regional policy of the Delors Commission (1985–1994) – implied that agriculture was no longer the only sector subject to comprehensive Community-level policies or the main beneficiary of the Community budget. Secondly, Community enlargement led to a diverse mosaic of farm conditions and sectoral preferences within the various EU countries: from northern European countries such as Finland, with a strong free-trade orientation, to countries such as Portugal, with structurally weak agricultural sectors. Thirdly, the CAP was criticized by trading partners within the Uruguay Round multilateral trade negotiations because of the prohibitive tariffs and agricultural over-production. Fourthly, changing societal perceptions of the CAP challenged its nature (Burrell 2009, 272). In the light of these pressures, the fourth stage has again envisioned the 'rural' as a locality through the implementation of a 'new' Common Agricultural Policy based on the progressive reduction of price supports, and at the same time on a broader agenda of integrated rural development (Gray 2000).

Still, in spite of all the implemented reforms (for instance, the MacSharry reform in 1992, Agenda 2000 and the Fischler reform in 2003), support for agricultural production is still about 80% of the total CAP budget. Erjavec et al. (2009, 43) also claim that within the Agricultural Council competing discourses indicate a diversity between Member States concerning farm structures, their political stands on European integration, and their general approaches to state interventions in the markets. France, for instance, is traditionally seen as the leading member state in offering resistance to the neo-liberalisation of the CAP: agricultural lobby groups believe that CAP constitutes a legitimate transfer of public funds to farmers because they are the nations' producers of food. In contrast, promoters of the neo-liberal discourse – whose goal is to have a free market with no involvement by the state – include the UK, Denmark, the Netherlands, as well as the food-processing sector (Erjavec et al. 2009, 44).

Similarly to the work of Erjavec et al. (2009), in a report by Baldock et al. (2001) concerning six EU Member States, it emerges that approaches to rural development include an agrarian versus a rural perspective (Table 2). Some, for instance, see rural development as something to be added to agricultural policy, others consider it as a component of rural policy; beyond the confusion and overlapping of the terms, "at the core of these disagreements is a debate about the continuing centrality of farming, socially, culturally and environmentally, to the future of rural areas" (Baldock et al. 2001, 17).

Table 2: The two approaches to rural development
Source: Baldock et al. (2001)

ONE RURAL WORLD, TWO PERCEPTIONS	
'Agrarian position'	**'Rural Development Position'**
➢ Farmers' interests are the same as rural interests	➢ Local actors represent a broad range of interests according to their social affiliation and economic status
➢ Multifunctionality of rural areas is a historical outcome of the multifunctionality of traditional farming	➢ Rural areas' multifunctionality is due to internal diversity and external expectations (pressures)
➢ Viable rural areas depend on farming activity, both economically and culturally	➢ A competitive farming sector is not always a prerequisite for viable rural areas

Different perspectives are identified among countries and also within regions of the same country; farming lobbies and agrarian ideologies are more powerful in certain countries than in others. In France, for instance, the goal of rural policy has always been focused on agriculture and its role in rural areas.[12] Austrian rural policy is also based on the fact that agriculture and rural areas presuppose one another; in contrast, in the UK rural development (focused on rural industries and village services) and agriculture (with its sectoral agricultural policy) have been historically separated; this is similar to what occurs in Sweden, where agriculture has a minor role within rural development. In Sweden other key policies linked to rural development include employment policies and services: "Even among the farming sector, the Swedish Federation of Farmers is described as an interest group that embraces a much broader constituency than its name would imply" (Baldock et al. 2001, 19). Within the Scandinavian context, Norway represents an exception to how rural development is approached. Prestegard & Hegrenes (2007, 123) claim that "in Norway, the term rural development policy is usually used to describe the policies intended to maintain agricultural activities in rural areas, and to help farmers start up new business based on the resources of the farm and the farm household". Although the economic significance of agriculture in Norway has declined, it still has an important function in maintaining settlement in rural municipalities. Cruickshank (2006, 179) further argues that in that country regional policies highlight geography more and its links with demography, rather than indicators such as business development, unemployment or income conditions, which

[12] The Economist (2005) claims that French are 'infatuated' by farming, and the reasons are a mix of tradition, nostalgia, and Gaullist politics: "food in France is not just a way to fill the belly: it is part of the national identity".

have a more relevant role in many other countries of Europe. The goal of keeping a distributed settlement pattern in Norway was introduced as far back as 1972 (Cruickshank 2006).

Moreover, countries can be divided into those characterized by a strong national agenda regarding their rural policies and others that are heavily dependent on the driving forces of EU policies. For instance, countries such as Finland, Austria, the UK, and Sweden have a long tradition of their own development policies; contrastingly, countries like Spain and Italy have adopted rural policy in recent years and usually in this case policies have been born and are influenced by EU policies (Baldock et al. 2001). According to Baldock et al. (2001, 20), EU policies may constrain national policies which are characterized by a long tradition. For instance, in the UK, it is argued that there is a risk that rural development policies will become more marginalized. Austria also considers EU policy too narrow for the Austrian approach to area-based, integrated development (for instance, linking farm diversification, tourism development, and craft enterprises). In contrast, France and Germany have developed their own policies alongside EU policies. Another important difference among EU countries concerns the level of public participation and the degree of centralization/decentralization in the implementation of rural development policies. In Spain, for instance, the institutional setting is characterized by a prevailing subordination to public authority and initiative; there is also a widespread general belief that the state and other levels of government should solve the problems of rural areas; in contrast, countries such as Sweden are characterized by the presence of strong local rural networks across the whole country (Baldock et al. 2001).

5.2 'RURAL' IN FINNISH POLICIES: FROM THE BORDER DISTRICT POLICY TO THE 'NEW' RURAL POLICY

> "In European terms, Finland is a rural country. So sparsely populated is it that the EU statistical authority calculates Finnish cities on the fingers of one hand" (Holmberg, 11.02.2011g, Maaseudun Tulevaisuus, 15).

Rural policy is a relatively new concept in most OECD countries. In contrast, "Finland is one of the pioneer countries in naming as rural, and building an institutional framework for, and adopting policy tools targeted to rural areas, without a sectoral perspective" (OECD 2008, 91). Unlike many OECD countries, a large literature exists on the origins and evolution of rural policy in Finland (OECD 2008, 92). The beginnings of Finnish rural policy were conceived many years before this country joined the EU, and this policy mirrors the long tradition of a sparsely populated territory (see for instance, Schmidt-Thomé & Vihinen 2006). At the same time, it is important to note that "the interests of the

state have always been a major factor behind rural issues" (Ruuskanen 1999, 224).

The term 'rural policy' in Finland appeared for the first time relatively recently, to be precise, in 1983, in the document of the Rural Development Committee II (Vihinen 2007). However, since the 1920s – just right after obtaining independence – the Finnish government has taken specific actions targeted at the weakest areas of the country. Even though rural policy did not exist as a field of intervention, strategies directed to the countryside were included first in agricultural, and then in regional, policy (Vihinen 2007). Until the 1960s, rural policy was mostly identified with agricultural policy, since Finland faced a shortage of agricultural products and the government goal was to promote self-sufficiency (Vihinen 2007; Ruuskanen 1999). Tykkyläinen (1996, 85) states that "it is difficult to understand Finnish rural policy in any scientific sense without having an understanding of the roots of 'agrarian thinking and policy' in Finland". As early as the 1920s, within the border district policy – which included those municipalities in the provinces of Vyborg, Kuopio, and Oulu, located either at the border or in its proximity – a series of actions were started with the aim of bringing the development of border regions to the same level as the rest of the country. These objectives focused on economic development, and because Finnish economic policy was then mostly agricultural policy, the development of border regions also focused on the development of agricultural conditions,[13] and at the same time to prevent the peasants' russification (Hämäläinen, 1990).

An important social and agricultural policy issue in the independent Finnish state was the position of crofters and landless people, who were both in need of their own farms; as such, the objective was to build private ownership as the basis of the farming system[14] (Juvonen 2006). What changed the state of the

[13] Because of poverty and difficulties faced by farmers, the most urgent tasks that the newly-born state had to deal with were to help small farms to organize the sale of their agricultural products, the buying of seed and fertilizers, and at the same time launch a credit system. Thanks to Hannes Gebhard (1864-1933), one of the most active supporters of social reforms, the *Raiffeisen* idea of a cooperative movement and credit system was imported to Finland. In the original *Raiffeisen* model, the cooperatives received small membership fees and deposits from members as well as from wealthy individuals. However, since the members did not have sufficient resources to make deposits in the cooperatives, there was no possibility of self-financing. As a result, a special central institution for these cooperatives was created, the *OKOBANK*, which was to handle the financing. Although established by private initiatives, in their first years of operation rural credit banks were closely linked to the central government (Kuusterä 1999).

[14] The rise of the peasants population starting in the late 1800s made Finland a country dominated by agricultural and countryside culture; during the fifty years preceding national independence, Finland experienced high population growth, passing from about 1.8 million in 1870 to 3.1 million in 1917; this factor created severe challenges to the landless population (Jörgensen 2006). In the first two decades of the 20th century, 70% of the working population received its livelihood from agriculture and forestry (Tykkyläinen & Kavilo 1991); the early events of the civil war speeded up the emphasis on the position of agriculture. The wartime famine, which caused the breakdown of

land-ownership system during the period 1890–1940 was the allocation and resettlement activities of farms, which became reality through the implementation of *Lex Kallio* in 1922 and the resettlement law in 1936 (Juvonen 2006). *Lex Kallio* was put into force by the Agrarian government in 1924 and was based on the viability concept; the land had to be large enough for the cultivator and his family: "Between 1901 and 1930 the share of the Finnish population farming its own land thus increased from 39.1% to 62%, which indicated a fairly radical change in the social conditions of the peasants" (Jörgensen 2006, 84).

The post-war settlement policy followed the same type of strategy adopted in the colonization options of the 1920s and 1930s. After the Second World War, about 420 000 refugees came to Finland from Karelia, which was ceded to the Soviet Union in 1944. The refugee population accounted to about 11% of the country's whole population at that time. More than half of the refugees had previously lived on farms, and the majority received land through the settlement programme: the total number of farms born out of the various land reforms implemented in 1918, 1922, 1936, and 1940, was 36% of all farms in the entire country (Tykkyläinen 1996, 86). Undoubtedly, the reform brought wealth to many citizens through significant income and employment benefits, the development of new infrastructure, and the creation of better conditions for small entrepreneurs and forest work. Nevertheless, Tykkyläinen (1996, 88) claims that "the solution that evolved from the postwar settlement programme was definitely marginal from the point of view of sustainable economic development. Farms were small-sized, the livelihood of many farming households was based on additional income or a combination of many occupations, and in many cases colonization was directed to remote and poor areas".

Since the 1950s, the colonization period, also known as the investment (or reconstruction) phase, was replaced by subvention policy (Tykkyläinen 1996),

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grain imports, motivated the pursuit of food self-sufficiency in the period of independence (Jörgensen 2006).

An important issue in Finland was the 'crofter issue', which appeared in the 1880s and concerned the payment of rents and access to pastures. In the late 19th century, a fall in grain prices was a positive factor for crofters and leaseholders, who had the opportunity to become more competitive in dairy production; however, many of them did not have access to forest or pastures, or were obliged to accept increased rents to be paid in labour. In 1901 there were 122 842 landowners and 67 083 crofters in Finland; in 1912 82% of all crofters and 86% of all cotters paid rents to farmers, mostly in the form of labour. While the landowner had the right to expel the crofter from his property without paying any compensation, the crofter had limited possibilities to protest legally; this created a class conflict at the time of Finnish independence. In the croft-dominated areas of eastern and southern Finland the Social Democrats proposed as a solution to the croft issue the redemption of crofts towards full ownership rights. Until 1917, both crofters and landowners were dissatisfied with the proposed suggestions; even though the right-wing government proposed a draft law on the issue in 1918, a civil war started. After the war, which lasted three months, the Crofter Law came into force on October 15th, 1918. According to this law, crofters in rural areas were allowed to buy and gain full property rights to their land (Jörgensen 2006).

and agriculture started to be supported through price subsidies seeking to support agricultural production. Throughout the 1950s, due to technological innovation in agriculture and forestry, the number of small farms started to decline. In the period 1964–1975, it declined from 293 000 to 225 000, and the trend has since continued (Tykkyläinen & Kavilo 1991, 98). This decline involved a shift to employment in the industrial sector, which was more challenging in northern and eastern Finland than in the southern parts of the country. In southern Finland there were not many jobs in agriculture and forestry, and manufacturing and service jobs were available; people did not need to move. In northern and eastern Finland, however, such a shift in employment led, firstly, to massive outmigration (especially from the recently developed remote rural areas), and, secondly, to long-lasting recession as well as socio-economic turmoil. Because of the settlement and colonization programs that started in the 1920s, Tykkyläinen (1996) claims that there was no other option for the government than enforcing such subventions policies, which resulted in a protectionist agricultural policy and a closed economy in agriculture, delaying *de facto* the modernization of primary production in comparison to other Western European countries.

Since the late 1960s, regional policy was primarily targeted to provide employment in rural areas, and the 1970s witnessed the adoption of the welfare state which, according to Vihinen (2007, 61), "was probably the most important rural policy event during these decades", providing services and new jobs in rural areas (see Pyy & Lehtola, 1996). The structural changes in agriculture reached their apex during the 1970s, when hundreds of thousands of Finns moved from northern Finland to the industrial centers of the South, as well as to Swedish industrial towns (OECD 2008; Vihinen 2007). Such developments led to several responses at the government level, but also in civil society and in the academic sphere, which all have had an influence on how the rural policy is structured today. Because of the urbanization trends, at the government level specific measures were designed for remote rural areas in sectors other than agriculture and forestry, which included electrification grants for rural areas, support for retail trade for sparsely populated areas and support for public transportation: "The great service reforms – the comprehensive school and health centre systems – were begun in the remote areas" (OECD 2008, 94).

As a consequence of out-migration, the most relevant transformation in civil society was the emergence of village action,[15] which was supported by the

[15] Talve (1972, 141) defines the village as "a rural area, which shapes the residential and ownership environment". Back in the 1970s, the village lost all of its former autonomous tasks, such as those related to taxation, ecclesiastical government, and in western Finland, the organization of agricultural land use. Villages were likely to be born as the result of the division of the "parental family-farm houses" (in Finnish *kantatalot*; such a division started as early as the mid-1500s), or had already belonged to the same family, whose members settled in close proximity. The word "village" (*kylä*, a Finno-Ugric word) in Finnish dialect also means dwelling, house. In sparsely populated areas,

academic sphere with the launch of the "*Village Research 76*" project in the 1970s; strong cooperation between researchers and the village movement representatives subsequently started to take place. In 1972, a new association, the Society for Rural Planning (*Maaseudunsuunnitteluseura*), was established and it represented a forum for rural researchers in sociology and geography (see Hautamäki 1989). Hyyryläinen (2000, 112) defines village action "as part of the historical transformation of Finnish voluntary action: cooperation in the village community developed from voluntary work to modern voluntary action and then to local development". Throughout the 1970s and 1980s villages had only modest economic resources at their disposal, which were mostly directed at the organization of festivals and other public events (Lehto & Rannikko 1999). At the same time, in the remote eastern and northern areas of the country (such as North Karelia), these two decades saw the emergence of the public sector as the main engine of growth and the decline of agriculture and forestry (Lehtola 1995 in Pyy & Lehtola 1996).[16]

5.2.1 The 'new' rural policy and the dominance of civil servants

> "Rural policy oversees a thick stack of programmes and strategies, but it does not come true without people" (Tahvanainen in Karjalainen 9.9.2009b, 17)

When Finland planned to join the European Union in the 1980s, rural policy experienced deep changes and post-Fordist concepts including differentiation, networking, flexibility, and entrepreneurship represented the cornerstones of policy documents. Within such a context, Ruuskanen (1999, 226) claims that the "globalization process and the integration of the world's economy have meant that the rural policy rethoric based on the vocabulary of the welfare state has been transformed into a market-led policy rethoric". The core of rural policy is no longer provided by agricultural subsidies and the welfare state; rather, it is marked by 'entrepreneurship', 'enterprises', and 'new sources of livelihood'; consequently, the government has given the responsibility for rural development to local actors. Rural areas are not considered a 'rural whole'

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houses located far away from each other formed a village only when the use of common land required the use of settlement boundaries to divide them from other groups of villages, and when houses belonging to the same residential area had to share common burdens and tasks related to the church and the crown institutions. In the latter case, a village has been referred to as sub-village. In eastern Finland the village was a regional grouping comprised of neighbouring houses (or only one house); each of such regional groupings had its own plot of arable land. In western Finland the village (or many of them) constituted a specific landownership entity, a partition unit, while in Ostrobothnia and in eastern Finland the division of large areas primarily remained undefined (see Talve 1972, p. 142-143).

[16] To summarize the developments of Finnish rural policy from the 1960s to the early 1980s, Ruuskanen (1999, 223) claims that it was based on "a blend of agricultural subsidies, an industrializing regional policy and the establishment of the welfare state". Until then, rural areas were considered as an integral whole, where the independent peasantry lived. The peasantry was seen as fulfilling the public interest as a provider of national defense and food supply.

anymore; the countryside is divided (as mentioned in chapter 4 on constructing rurality) into several types of rural areas, which are differentiated according to their market position[17]. Last but not least, centralization of agriculture is viewed as an inevitable consequence of globalization; the jobs lost in agriculture will be replaced by creating 'new sources of livelihood and services' (Ruuskanen 1999).

The 'new' rural policy was established and carried out from 1988 to 1991, and it took the form of the national "Rural Development Project". To strengthen this policy tool, a responsible organ for rural policy was established, and funding was provided for national development projects. This project led to the designing of the first Rural Policy Programme in 1991 and the establishment of the Rural Policy Committee[18], which is currently the core of the rural policy system (OECD 2008, 99). A subsequent stage of Finnish rural policy involved both the inclusion of EU norms and the devising of broad and narrow rural policy. Membership in the EU in 1995 caused conflicts within national rural policy debates. Some thought that this policy overlapped the EU work, while others considered the two policies to be complementary. According to Uusitalo (2004, 8), "recent history has proved that the latter view was the correct one". Broad rural policy refers to all actions that in one way or another impact on rural areas and involve different administrative sectors, while narrow rural policy involves tools which are specifically targeted at rural areas. The main tool of narrow rural policy is provided by the Rural Development Programme for Mainland Finland 2007–2013 (OECD 2008, 101).

Based on an inquiry conducted between 1992 and 2008, Hyyryläinen et al. (2009) claim that the members of the Rural Policy Committee include a high percentage of civil servants as well as academics, interest groups, and NGOs; however, no politicians have been involved in this committee, as shown in Figure 8.

To take another example, a structure where civil servants dominate rural development is also characteristic of the local development theme group (*Paikallisen kehittämisen teemaryhmä*) of the Rural Policy Committee. Even among the 49 members of this theme group (half official members and half vice-members), public administration dominates with 27 members, followed by civic

[17] Within a broader perspective, Moisio & Leppänen (2007, 64) have claimed that in the past twenty years Finland has been implementing "new forms of economic governance which give market priority over the state"; such steady and somewhat hidden transformation has been promoted by diverse transnational actors such as the EU, the G8 group, the World Bank, the International Monetary Fund, the World Economic Forum, the WTO, the OECD, and representatives of the transnational business elite.

[18] The Committee consists of 9 ministries, a number of public organizations and private actors. It is currently located at the Ministry of Agriculture and Forestry, but was previously situated at the Ministry of the Interior. Starting from 2012, the institutional configuration of the Rural Policy Committee will change, since it will be transferred to the Department of Regional Development of the Ministry of Employment and Economy (*Työ ja elinkeinoministeriö*). At the same time, however, the LEADER funding method will remain under the control of the Ministry of Agriculture and Forestry.

organizations, interest groups, and municipal organizations (six members for each group), and academics (four members). No politicians are involved in the group. Public administration includes representatives of the Ministry of Agriculture and Forestry, Ministry of the Environment, Ministry of Justice, Ministry of Employment and the Economy, Centres for Economic Development, Transport, and Environment, as well as the Agency of Rural Affairs, and the Rural Network of Finland. Among the interest groups, three are from farming organizations (two from *MTK*, and one from *Pro Agria*[19]), and three from rural/ village development (*Suomen kylätoiminta*/Finnish Village Association, ELARD/ European LEADER Association of Rural Development). Within the discussions of this theme group, the focus is clearly on LEADER development and LEADER action; at least in the group where I have had the opportunity to participate, agriculture and its role within the multifunctionality of rural development seems to have a fairly marginal role (or is practically not existent).

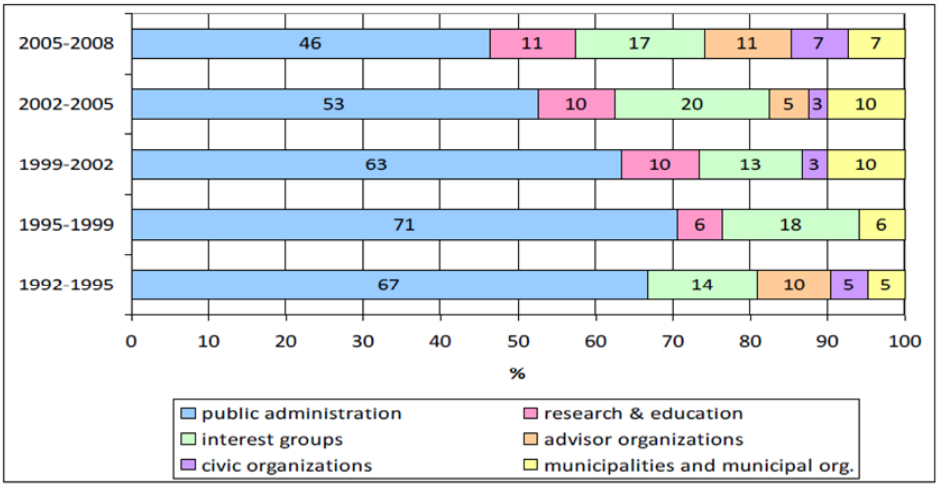

Figure 8: Members of the Rural Policy Committee, 1992–2008
Source: Hyyryläinen et al. (2009)

5.2.2 The relation between agricultural policy and rural policy

> "Finland's decision to join the EU in 1995 entailed the conviction to accelerate the structural change in agriculture" (Silvasti, 2009, 21).

As has been the case in other countries, since rural policy has been handled within the Ministry of Agriculture and Forestry, this factor has caused tension and competition with agricultural policy, which is the core sector in terms of the ministry's priorities (OECD 2008, 115). From the point of view of a holistic rural

[19] MTK stands for *Maa- ja metsätaloustuottajain Keskusliitto* (in English the Central Union of Agricultural Producers and Forest Owners), and it is the Finnish interest organization for farmers. *Pro Agria* in turn is an advisory organization for farm development.

policy, the farm-oriented rural policy of the EU is not suitable to sparsely populated, remote areas (Vihinen 2006, 227). If Finland had not joined the EU, changes in the countryside would not have been as deep and, according to Vihinen (2006, 222–223), the Common Agricultural Policy has had a larger impact on the Finnish countryside than national agricultural policies. The current EU agricultural policy marginalizes those areas that are far from the center of Europe's main market. According a representative of MTK (interview 13) for instance, "North Karelia is treated unfairly in EU agricultural policy. EU policy aims to reduce and restrict agricultural production, but at the same time North Karelia is just starting to achieve a modern level of production. Here production of milk and meat is not even sufficient for our own area, so it feels absurd to speak of reducing production". Vihinen (2006, 227) also states that with this type of agricultural regime, few farms are viable in Finland: "marginalisation of the landscape and the loss of biodiversity will continue under present policies, since the cultivated area is decreasing and cultivation of the remaining fields is becoming more monocultural due to the decrease in milk production, and consequently, in pasturing".

Before Finland became a member of the European Union, Finnish agricultural policy was similar to that of Norway: the market was protected, with high prices and a subsidy system with definite regional policy objectives (Vihinen 2006, 217). According to a staff member of MTK (interview 11),

> "before the EU, there were national agricultural and rural policies that were controlled by the government and interest groups. Farmers earned their money from producers' price, which made cooperation with the processing industry quite intense. National agricultural aid policy guaranteed that regardless of farm size and location and everyone had equal opportunities to positive income development. After EU membership, the EU has governed agricultural and rural policy, and national freedom of action has narrowed. Agricultural policy has since started to use a 'low price policy'. That means compensating the producers' price with subsidies in order to produce cheap material for the food industry. EU agricultural policy narrowed the subsidies, scaling between different areas … Small farms could not cope any longer and many of them gave up. The amount of farms has halved since EU membership".

However, economic support to agriculture still has a quite relevant role, both in terms of its nature and amount. In fact, "the share of support payments in producer income is more significant than in any other EU country" (Vihinen 2006, 218). Support for agriculture comes from national funds (56%) and EU funds (44%). The OECD (2008, 135) claims that Finland " is one of the countries with smallest share devoted to Axes 3 and 4 (oriented for rural development) and the country with highest share in Axis 2 (agri-environmental schemes)". The smaller allocation of funds to rural development measures leads to conflicts in priorities between agricultural and rural development policies within the country (OECD 2008, 135). More specifically, "the political priority is apparently

to support farmers rather than to produce public goods (hence no voluntary modulation, for example) but subsidies now have to be couched in terms of the 'green box', ecology, landscape and biodiversity" (OECD 2008, 138). Nevertheless, CAP support by itself is not sufficient to keep the Finnish farming sector alive under current market prices. As a result, Finland has gained the right to pay extra, with its own national funds. National aid for southern Finland is established by Article 141 of the Accession Treaty, and it has constantly been the object of discussion between the European Commission and Finland. Every few years, Finland has to negotiate with the Commission on continuing the aid based on Article 141: "The uncertainty of the aid for southern Finland increases insecurity in southern rural areas and causes tension among farmers in different support regions in the country" (Vihinen 2006, 221).

Within the problematic relationship between agricultural and rural policy, according to the data collected in the newspaper *Maaseudun Tulevaisuus*, as well as other Finnish literature, the national debate seems to be oriented along two main lines. One of these, supported by Katajamäki (Maaseudun Tulevaisuus, 30.5.2011b, 4), claims that rural policy should no longer be part of the Common Agricultural Policy; rather, it should be under the umbrella of EU regional policy: "the Commission talks about promoting the diversity of the countryside, but in practice rural development and agricultural development are for the Commission the same thing … the key position of agriculture is not changing". Uusitalo (2010, 2) concurs with Katajamäki (Maaseudun Tulevaisuus 30.5.2011b), when he claims that "the 'rural policy' of the European Union still means developing rural areas based on agriculture. This is a functional idea in regions where agriculture is still dominant. However, there are plenty of rural areas in Europe where agriculture has not been the primary source of livelihood for a long time". In spite of the fact that the latter argumentation is absolutely true, it is also true that the underlying assumption of this argumentation is that agriculture is a mere economic activity.

Within the same line of this debate, an article in Karjalainen (29.01.2009c) – devoted to a seminar held in Joensuu on the role of the countryside (*road show-kiertueen seminaari*) – states the clear divide between rural development and agriculture (*selvä pesäero tuottajiin*); it also notes that the 'rural voice' of two of the most prominent Finnish rural academics, Rannikko and Uusitalo, is not the same voice of *Maaseudun Tulevaisuus*. According to these two academics, the newspaper of the 'producers' (*Maaseudun Tulevaisuus*) focuses on agriculture and farmers, not on the countryside. Uusitalo remarks that "*Maaseudun Tulevaisuus* is not the main supporter of rural policy; it is the producers' newspaper, and has, however, moved in a better direction in recent times." Another perspective of the agricultural policy-rural policy debate is given by a Member of the European Parliament, Riikka Manner (Maaseudun Tulevaisuus 3.06.2011a, 4), who claims that segregation between countryside and agriculture is wrong. She claims that:

> "agriculture is still of great importance to the vitality of Finnish rural areas, but it is not the only factor. Rural Development Funding and management of EU funds have attracted debate on a regular basis. I have asked a number of experts for their opinions and they have been fairly unanimous in the view that we will benefit in Finland financially if rural development is kept under the umbrella of agricultural funds and more specifically the second pillar. I am pleased that regional policy is seen as a strong actor, for example, in supporting rural entrepreneurship and promoting the bio-economy. The most important thing in my opinion, however, is to ensure Finnish rural development receives a balanced volume of money, which is strongest under agriculture".

However, as has been noted in this section, the CAP is increasingly viewed as less than the most effective tool for dealing with a number of policy objectives, from rural development to environmental issues. In the past few years a renationalization of the CAP has been discussed, where the power of Member States in CAP matters would be reinforced at the expense of the Community decision-making process. It is well-known that the CAP has favoured the best agricultural regions of the EU at the expense of countries such as Finland with hostile climate conditions, where the growing season is about 140 days in comparison to 300 days for many Member States (see Niemi & Kola 2005).

5.3 'RURAL' IN ITALIAN POLICIES: A FOCUS ON THE PRIMARY SECTOR

The OECD (2009) identifies the first elements of Italian rural development policy in the regional measures introduced in the 1950s for the southern regions, particularly the "Fund for Extraordinary Projects of Public Interest in Southern Italy" (even though on the basis of Saraceno's argumentation (1994) in chapter 4 talking about Italian 'rural' policy is not appropriate). This fund was a national priority programme, which in the first phase involved the development of basic infrastructure, and in the second phase the promotion of industrialization. Beyond these regional measures, at the EU level the CAP offered support for restructuring the agricultural sector through policies delivered by the Ministry of Agriculture and Forestry, such as the special aid for mountainous areas in 1975 and the Integrated Mediterranean Programme in 1985 (OECD 2009, 83–86).

Since the aftermath of the Second World War, Italian agricultural policy has developed on the basis of beliefs and objectives that have mainly favoured the social relevance of the agricultural world; at the same time, these objectives have neglected the economic importance of the sector. Both in the past and in more recent decades, an adequate political economy of agriculture has been missing; issues linked to the modernization of the sector and the role of agriculture within the context of the national economy have been ignored. A reform

approved in 1950 had a positive impact on the modernization and mechanization of the agricultural sector, but it was not followed by similar policy actions. In the following decades, despite declarations in favour of modernization, policy targets were directed at increasing production and assistance to farmers (Lizzi 2002, 147–237); the ministry concentrated on spending money rather than programming and coordination. Spending decisions were also deeply influenced by the concern over small farm sizes and diminishing intergenerational transfers in agriculture (OECD 2009, 90).

On the basis of CAP reforms and budget restrictions governed by the Maastricht parameters, in the 1990s it became necessary to rationalize public spending. The latest developments in Italian agricultural policies are characterized by sharing objectives with European Union policies, with a focus on rural development and agricultural production based on quality and food safety. As in the case of Britain and France, Italy also supports the concept of multifunctionality, including activities linked to tourism, wine gastronomy, and environmental protection (Bozzini 2009). However, the impact of CAP reforms on Italian rural policy was that rather than creating a new Italian strategy for its lagging regions, Italy's rural development strategy has to a large extent become dependent on EU regional and agricultural policy (OECD 2009, 19). The current policy framework is arranged according to three different components: 1) the EU agricultural framework; 2) the EU Structural Funds framework for regional and social development; and 3) the national framework, which integrates the EU agricultural and the Structural Funds frameworks, and offers targeted support to lagging areas. In the current period, 2007–2013, two documents guide rural policy development, the National Strategy Plan (NSP) of the Ministry of Agriculture, which includes the operation of the new rural development policies, and the National Strategic Framework (NSF) of the Ministry of Economic Development, which deals with the Structural Funds. In the case of the NSP, the OECD (2009, 91) claims that "it remains predominantly primary sector in focus; it tends to favour 'capacity to spend' over 'programming effectiveness'; and it lacks a distinct, strategic integrated rural vision embracing all aspects of rural policy beyond the EU funded programmes". Thus, the Italian rural programmes under the Ministry of Agriculture have a tendency to focus on the primary sector, rather than a territorial approach, in spite of the fact that farming activities represent about 2% of national GDP and 5% of employment, and in spite of the fact that trends in the non-agricultural component of rural economies dominate rural employment and quality of life in most Italian regions. Of the EUR 8 292 billion in resources for rural development in Italy (period 2007–2013), less than 30% is devoted to measures that focus on the broader rural economy and society beyond farming and forestry (Axis III and IV). The agricultural trade associations have a strong role in defining regional rural development programmes; their lobbying activity also has the goal of maintaining their status, and at the same time opposing economic diversification

and other intervention measures directed towards the territory as a whole. Relations with local politicians are also quite important both to determine resource use at the regional level and to achieve successful results (OECD 2009, 19–100).

The focus on the primary sector is also present at the regional level, where rural development policy is planned and implemented through sectoral administrations (regional agricultural departments) (OECD 2009). However, a researcher from INEA (interview 26) argues that the choice of most regional administrations to emphasize the competitiveness of the agri-food sector is justified by the fact that this issue is quite relevant in many regions, since this sector has had difficulties in the past few years, especially concerning exports. She further notices that the ministry does not have any responsibility in this matter, since the handling of resources is carried out by the various regions. The ministry divides the funds among the various regions, which are divided according to the PIL per capita. The lower the PIL, the more a region receives in funds. Furthermore, the interviewee explains that in the programming period 2007–2013 the European Union rural development policy has been oriented towards all the activities that are in strong correlation with agricultural policy. Funds suitable for supporting tourism, handicrafts, and services to the population are provided by the Fund for Regional Development (ERDF). In light of the various policies offered, the key issue is the capability to link the various instruments at the local level that are at its disposal to strengthen the system in its complexity.

Despite the OECD (2009) claims that there is a focus on the primary sector at the national and regional level, at least concerning financing, Petrini, in the Italian national newspaper La Repubblica (28.12.2010) (in the article titled "*Il Paese del buon cibo che umilia i contadini*"/The country of good food humiliates farmers), claims that, in comparison to France, agriculture is not at the center of the national debate. He further states that "by all means food is at the centre of our cultural, social, economic, and mundane debates. However, even though politics (both left and right) participates in the food issue, agriculture is a topic to be avoided, which has become good for technical meetings and boring conferences, which, if one could, would prefer to avoid". More than likely, Petrini summarizes, the post-war Italy focused on the iron and steel industry, on construction work, on the massacre of its coasts and of its environment, portrayed agriculture as a synonym for poverty, backwardness, and inadequateness. Consequently, for decades the post of Minister of Agriculture has been the least sought after among politicians.

According to the OECD (2009), initiatives that encourage rural diversification such as LEADER seem to be weakly supported. This approach could be the result of political and sectoral 'pressure' concerning the allocation of rural development resources. Based on these considerations, the OECD suggests that Italy would benefit if a broader rural development program were implemented.

This emphasizes the great diversity of rural potential in the country through a multi-sectoral perspective and brings together different sectoral ministries at both national and regional levels. Currently, except for the Ministries of Agriculture, Economic Development, and Environment, other ministries have hardly been involved in discussions about rural development planning and programmes at the national and regional levels (OECD 2009, 100).

Having a decentralized institutional structure, in Italy – usually defined as a regional state, where regions have less autonomy than in federal states (Rodríguez-Pose 2002, 165) – the regional governments are responsible for designing and implementing the interventions in rural regions within the guidelines of the two above-mentioned national documents. The Italian Ministry of Agriculture, Food, and Forestry Policies has a coordinating and guiding role. Regional governments have legislative and administrative powers, especially in the fields of agriculture, commerce, public health, tourism, and public works under a series of laws approved in the mid-1990s an above all, by the constitutional reform of 2001. This administrative regime implies a high heterogeneous sub-national governance in rural development policy delivery (OECD 2009, 105). According to a researcher from the Institute of Agrarian Economy (or INEA) (interview 26), the coordination activity at the central level is quite complex because there are 21 subjects involved [the 19 regional administrations and the two autonomous provinces of Trento and Bolzano/Bozen]. At the same time, the interviewee believes that administrative decentralization is a positive thing, because it brings responsibility to the regions and provinces, where the territorial scale is more suited to the application of rural development policies. The level of decentralization varies from region to region; for instance, in Tuscany, it is quite strong since it has devolved to the provincial authorities.

At the regional level, three general rural governance models can be identified: traditional (or mixed), centralized, and decentralized. In the traditional form, responsibilities are almost evenly divided between the Regional Authority and other bodies, and they require a strong coordination effort. In the centralized model, responsibility is concentrated in the Regional Offices. In the decentralized model, the Regional Authority has a coordinating role but the provincial level has most of the responsibilities. This variation in rural governance models is caused partly by the physical geography of Italy's regions, but also by diverse cultural choices and political traditions: "Italy is a hugely varied and thus very complex country, both in respect of its territorial characteristics and its modes and institutions of governance" (OECD 2009, 106–107). However, Monteleone & Storti (2004, 4) note that the regional diversification of policy strategies results in a high fragmentation of rural policy: "The criteria used by the regions to select the areas where to start up projects are extremely heterogenous (ranging from the selection of specific territories to the

simple sharing of funds among the provinces) and suggest the lack of an overall strategy".

After having investigated the wider national contexts of Finland and Italy concerning their co-evolution of agricultural and rural development policies, the objective of the next two chapters (6 and 7) is to analyze the case studies of North Karelia and South Tyrol.

6 North Karelia Case Study

6.1 REGION IN CONTEXT

> "And forests are both directly and indirectly the basic roots. Forest products are taken out and they have provided money to the North Karelian people, who have exchanged that money with Joensuu's urban dwellers for different types of goods" (Kansanvalistusseuran julkaisussa (1904), in Könönen 1971, 23).

The region of North Karelia is located in the eastern part of Finland, and it borders the regions of Kainuu, North Savo, South Savo, South Karelia, as well as Russia (Figure 9). In 2010, its population was 165 866 inhabitants and the total surface area was 17 763 km^2 (stat.fi 2011). The physical geography of the region includes three different belts, with characteristics that have throughout history influenced different typologies of land ownership and the work force. The northern parts of North Karelia present similar characteristics to Kainuu, with its central boreal Bothnia-Kainuu coniferous forest zone. The southern part, in turn, is typical of 'Lakeland Finland' and belongs to the southern boreal coniferous forest zone.

Figure 9: North Karelia and its bordering regions

A narrow corridor in the southern part includes the fertile region of Ladogan Karelia with its mild climate. More than half of the forests of North Karelia are owned by private individuals (54%), while companies and the state both own nearly an equal amount of forest, 21% and 20%, respectively. In the Finnish context, where companies own only 8% of forest land, a distinctive characteristic of North Karelia is that it has a large share of company-owned forest (Metsäkeskus Pohjois-Karjala, 2005).

From the administrative point of view,[20] in 2010 this region was divided into 14 municipalities, and three sub-regions (Suomen tilastollinen vuosikirja 2010). Except for Joensuu, which is the largest urban center, the territory of North Karelia is defined as "predominantly rural", with more than 50% of its population living in rural communities. This is not an exceptional case in Finland, since 89% of this Nordic country is considered as a predominantly rural region (see OECD 2006, Section 4.2). In the Nordic context, scholars investigate socio-economic development of a predominantly rural region such as North Karelia in light of three co-existing specificities: demographic sparsity, peripherality, and cold climate (see for instance Gløersen et al. 2005; ESPON 2010). Demographic sparsity is defined as a combination of low population density and the presence of dispersed settlement patterns located in remote rural areas; demographic sparsity causes challenges for economic activity. In North Karelia, the population density is one of the lowest in the country with 9.35 inhabitants per square kilometer (Altika database 2009). Peripherality concerns the great distance from the main European markets; despite the collapse of the Soviet Union, the border with Russia has become more porous for interaction in various fields of life; this has not led "to any immediate turn in the development path of this region"; most of North Karelia's exports are still directed to Western markets (Eskelinen & Fritsch 2006, 59). The third feature is cold climate, which is responsible for a short agricultural season (Gløersen et al. 2005).

6.2 REGION-BUILDING PROCESS

Häyrynen (2003, 65) suggests that North Karelia has a dual nature. On the one hand, this region has for centuries been a geographic and economic 'periphery'

[20] North Karelia – as well as the other Finnish regions – does not have an all-purpose organization with independent budgetary power, elected decision-makers, relevant competencies and important tasks. Rather, it is contextualized by a unitary state rooted in a strong central level and municipalities with extensive powers. Similarly to the other Nordic countries, municipalities in Finland have a very strong tradition and "until today the dominant opinion has been that administration in Finland should be more strongly grounded in municipalities" (Ryynänen 2005, 336). The regional level is characterized by both municipal cooperation (for instance, Regional Councils), and de-centralization of the state (see for instance Virkkala 2002).

without its own cultural traits;[21] on the other hand, it is considered as the only part of contemporary Finland that represents the main roots of Finnish national culture, the 'ancient' Karelia described in the national epic *Kalevala*. On the basis of these preliminary considerations, the building process of North Karelia must be discussed primarily in the light of Finnish nationalist/national interests (and associated strong ideological and mythical connotations of the border (see for instance Paasi 1996)), and, to a minor extent, in the light of its links to the macro-area of Eastern Finland, especially the Savo region.

Until 1809, Finland was part of the Swedish Empire, and it did not form an administrative unit of its own; to a varying degree its regions represented the 'periphery' of the empire, but a differentiation was evident: while the southwestern region was both geographically and socially closest to the core of the Swedish Empire (especially concerning trade connections), in the east, or the so-called Savo-Karelian slash-and-burn region, links with the chief distant centers were thin[22] (Alapuro 1980, 20–25). Eastern Finland, in particular Savo and North Karelia, was as early as the 1700s one of the breadbaskets of the Swedish Empire. Slash-and-burn produced abundant harvests and the harvested grain was shipped to its main consumption centers (Katajala et al. 1997). Slash-and-burn cultivation required the people to be mobile and live in dispersed settlements; this factor explains why "there were no strong exploitative relations within the peasant population and, therefore, no strong peasant upper class. The small local gentry had only a minor role in agricultural production" (Alapuro 1980, 25–26). In the Napoleonic wars, Finnish-speaking regions were ceded to Russia; result of this event was Finland gaining the status of an autonomous Grand Duchy within the Russian Empire with its own religious organizations, laws and administrative structures (see Alapuro 1980; Liikanen at al., 2007). Although St. Petersburg dominated politically, by means of this transfer the Swedish-upper class continued to have a strong influence on the economic and cultural fabric of Finnish society. This phenomenon was not entirely the case in eastern Finland, where the peasant trade with the southern coast and also with St. Petersburg soon witnessed a revival. The connection between eastern Finland and St. Petersburg chiefly involved the export of butter

[21] In Finland, North Karelians are not very different from the ethnic and linguistic point of view from other eastern provinces. Talve (1980, 326) claims that "Eastern Finland folk culture is considerably uniform. Significant differences can be detected in the north, in the south, or in the south-east, but the central regions of Eastern Finland are characterized by a common Savo cultural heritage". Most Karelians moved to present-day North Karelia in the 17th century: because of the Swedish-Russian wars, they were persecuted and forced to move eastwards (see Talve 1980, 326-327).

[22] Since the early 1700s, when the current territory of Finland was still part of the Swedish state, North Karelia has had a strong connection to the region of North Savo: in 1721 both areas were part of the province (*lääni*) of Savonlinna and Kymenkartano; in 1747 they were part of the province of Kymenkartano and Savo, while in 1775 the province of Savo and Karelia was established (Paasi 1990).

as well as iron and timber, and trade was strengthened by the construction of the Saimaa canal (Alapuro 1980, 11– 27).

Alapuro (1980) states that since the last decades of the nineteenth century, rural poverty in the east was much greater than in other regions. Even the timber boom did not led to the establishment of a strong peasant upper-class. Although the land-owning peasants were able to profit by selling timber, the benefits of the boom were not comparable to those gained by the established peasant upper-class in the southwest. The mid-century crisis in slash-and-burn cultivation also created great difficulties for the eastern peasants, who became heavily indebted,[23] and were consequently forced to sell their farms along with their forests.

In contrast to the poverty of the North Karelian farmers, the fortunes of the sawmill industry started to rise as early as the 1850s, when, for instance, many sawmills were created in Hasaniemi, Utra, and along the River Pielisjoki (Joensuu). Early sawmill industry was also present in Vyborg and other eastern Finnish provinces (Björn 2006). From the 1880s onwards, the lands of this region, especially the eastern forest zones, increasingly became the property of national, large-scale forestry companies (Siisiäinen, 1979, 84). At the turn of the century, forest companies in North Karelia owned almost 600 farms or parts of farms. Between the turn of the century and Finnish independence, company ownership of forest increased markedly in many other areas (Elsinen 1982). According to Alapuro (1980), the situation in North Karelia, and for that matter in eastern Finland, was very different from the southwestern parts of the country, where peasants sold little land to forestry companies. The domination of the forest economy within North Karelian society was reflected in the structure of land ownership: in Metsä-Karjala (Forest Karelia, located in the northeast, which included the municipalities of Ilomantsi, Pielisjärvi, Nurmes, and Valtimo) forest companies and/or state ownership was common, and more than one-fifth of the population received a significant amount of their income from forest work; the share of land ownership by forest companies and the state was more

[23] According to Saloheimo (1973, 115), various ways were sought to solve the problem of indebted farmers. Under the supervision of the province's governor, the state provided loans to municipalities to be distributed to farmers for basic improvements. Farmers themselves tried to collect funds, borrowing them from saving banks. These financial institutions arose from the actions of parish administrations or towns (the first date back to the 1850s in Nurmes and Pielisjärvi); their main purpose was to increase the habit of saving, not to offer financing to farmers, because banks did not have the possibilities to do so. The *Hypoteekki* association did not support the ordinary North Karelian farmer as much as it was supposed to, because it only gave loans to relatively wealthy farmers. Thus, the whole region did not like the association, not until the cooperative system achieved lasting improvements regarding the lack of funds in agriculture. In North Karelia, the first rural credit banks were created at the beginning of the twentieth century. In their first twenty years, they distributed loans to members which were run by a central loan fund. Saving banks and, little by little, the office network of commercial banks took care of deposit activities. The funds of the credit banks themselves grew quite slowly, as the lending and borrowing interest rate differential was for their own use, and for basic expenses (Saloheimo 1973).

than 50%. In an intermediate belt, which included the municipalities of Juuka, Kontiolahti, Eno, Polvijärvi, Tohmajärvi, Tuupovaara, Kiihtelysvaara, and Värtsilä, there was a substantial amount of either state/forestry company ownership or forest economy as a source of livelihood, or both. The third belt, Maatalous-Karjala (Farming Karelia, which included the municipalities of Kuusjärvi, Liperi, Joensuu, Pyhäselkä, Rääkkylä, Kitee, and Kesälahti), was marked by at least 70% of private ownership and less than 15% of the people earned their living from the forestry sector. Tohmajärvi is a border-line case, which could also be included in this latter belt (Elsinen 1982, 33).

Within the context of a narrow peasant class, and at the same time strong outside investors/speculators (forest companies), North Karelia has traditionally lacked autonomy as a region; Paasi (1990, 275), however, claims that in this area regional ambitions developed for a long time and took different forms. For instance, in 1895 both North Savo and North Karelia established their own folk high school (*kansanopisto*). The work of the youth association (*nuorisoseura*) developed its own characteristics in North Karelia in 1894, in North Savo in 1907. Another important example of regional differentiation was the division of the Kuopio farming association in two parts in the late nineteenth century (*maanviljelysseura*), with the establishment in 1888 of the North Karelia Farming Association, whose range of action was concentrated in that part of the province of Kuopio which was Karelia. Furthermore, in 1936, both North Karelia and North Savo established their own regional associations (*maakuntaliitot*) (Paasi 1990).

Despite these signs of a bottom-up regional building process – which, according to Paasi (1990, 285), were mostly the result of economic factors – Häyrynen's research (2003) indicates that the building process of this region has been to a great extent tied to nationalist/national interests, which have led to the strong and constant dependence of North Karelia on the central level (both in the past and today). In particular, two main phases can be identified. In a first phase, the present-day North Karelia (as well as the other eastern border regions) were 'utilized' by Fennoman intellectuals (especially those of the Regional Students' Association of Helsinki University) in order to construct nationhood. Liikanen et al. (2007, 25) claim in this regard that the 19th century was a period of active nation-building in Finland, and gradually the border was increasingly defined in terms of an autonomous nation-state. Starting from the 1830s, Fennoman intellectuals associated the imagery of the national landscape with the already defined historical provinces of Finland. True "Finnishness" was located in inland forested areas, such as present-day North Karelia, to distinguish them from the Swedish-speaking minority that inhabited the coastal regions (Häyrynen 2003, 70). He (2003, 73) goes on to say, that "the thin elite of North Karelia was quite comfortable with the expansion of the nationalist movement". For instance, within the Fennoman movement, the North Karelian elite – who were the descendants of leading farmers, civil servants, and the

clergy – represented the region on the basis of idealistic cultural symbols, such as provincial anthems and costumes, as well as envisaging the region as the spiritual fortress of the border district policy devised by the central level (Häyrynen 2003).

In a second phase of such region-building process, which started to occur about 15 years after the Second World War, in order to create a symbolic Greater Finland inside the national borders (to be differentiated from the urbanist and cosmopolitan 'Helsinki elite'), a new emphasis was placed on provincial cultures, as stated by Vilkuna (1958, 4): "a free and decentralized, but yet a united organ of provincial federations would bring a lot more Heimat traditionalism, provincial patriotism, and general enthusiasm to the national cultural work". Thus, the 'provincial awakening', as Häyrynen (2003, 71) calls it, was achieved by "producing a large numbers of regional intellectuals and teachers, and by locating state administration and higher education in the provinces. In the light of the loss of Karelia to Russia after the Second World War, and the resettlement of Karelian refugees in Finland, Paasi (1996, 278–279) claims that there is also the 'written Karelian identity', where Karelia finds its symbolic place in eastern Finland, especially in North Karelia. The representation of such identity has been exploited by the media at the national level and more especially in eastern Finland for marketing and tourism purposes. In spite of that, Paasi (1996) claims, North Karelians do not identify themselves as Karelians.

On the basis of the considerations above, one can argue that since the establishment of the state administrative County Board (1960), the political, economic, and administrative elite of North Karelia has to a large extent been "a result of and backed by national regional policy and its decentralisation mechanisms: state administrative districts, regional universities and considerable investments in the forest industry" (Häyrynen 2003, 74). In other words, the regional establishment – characterized to a great extent by a politically unrepresentative power coalition (due to the lack of a democratically-elected regional government) – is defined and legitimized by the spatial relations between the center and periphery (Häyrynen 2003); such relations, he (2003, 75) continues, represent a powerful instrument of domination, since it legitimates regional power constituents to maintain their *status quo* 'as members of a national otherness'; furthermore, I add, it risks maintaining, rather than constructively modifying, the 'taken-for-granted', and often 'institutionalized' peripheral status of such a region.[24]

[24] If, on the one hand, scholars such as Gløersen et al. (2005) define 'peripheral' those areas which are extremely distant from the core European markets (such a statement could be 100% valid in the past, when modern transportation technology was absent), on the other hand, one can counterargue that nowadays regions such as North Karelia are penalized not by their absolute lack of accessibility (since modern transportation technology can be provided anywhere), but mainly by the progressive disengagement of the state in providing adequate transportation services to remote regions. In

To summarize the argumentation of this section, three main ideas emerge. The first is that national interests have historically been the key social structures in this region; the second is the domination of the forestry economy, which has chiefly been led by external agents; and third, the weak position of farmers. All these factors have in one way or another influenced the co-evolution of rural development and agriculture, both historically and today. These factors have also strongly influenced the implementation of the LEADER programme, who its main agents are, and the role of the local action groups in rural policy governance.

6.3 RURAL DEVELOPMENT OVERVIEW

Unlike South Tyrol, where rural development strategies have been entirely executed at the regional level (in light of the autonomous status it acquired in the early 1970s), rural development in North Karelia has been undertaken on the basis of national decision-making and strategies. Due to its role in the national economy – based on the production of raw material for the forest industry, and its relatively remote location on the closed border with Russia – North Karelia has been one of the poorest regions in Finland (Häyrynen 2003). Nowadays, this condition – Eskelinen & Niiranen (2003) claim – is also exacerbated by globalization and international integration.

In 1940, the share of the active population engaged in forestry and agriculture in North Karelia was still 84%, while nationally it was 65%. In the following thirty years, the share of active population engaged in this field declined by more than one-third in Finland, and by about half in North Karelia. Economic development has been constantly slower than the national average; in the mid-1970s 30% of the active working population was still engaged in agriculture and forestry, while in the rest of Finland the percentage was 15% (Elsinen 1982, 24).

The dominance of agriculture and forestry was reflected in political support; the Social Democrats and the *Maalaisliitto* (after 1965 called *Keskustapuolue*, and since 1988 *Suomen Keskusta*) have succeeded in North Karelia better than the national average (Elsinen 1982, 144). Landowners (*maanomistajat*) supported the *Maalaisliitto*/*Keskusta* more, the land tenants (*torpparit*, existing between the landowners and farmworkers) the Social Democrats (Elsinen 1982). As well, because of the strong forest economy, in the northern and eastern parts of North Karelia a proletariat or semi-proletariat class took shape (see Oksa 1979, 74); it is likely that this working group voted more for left-wing parties than other

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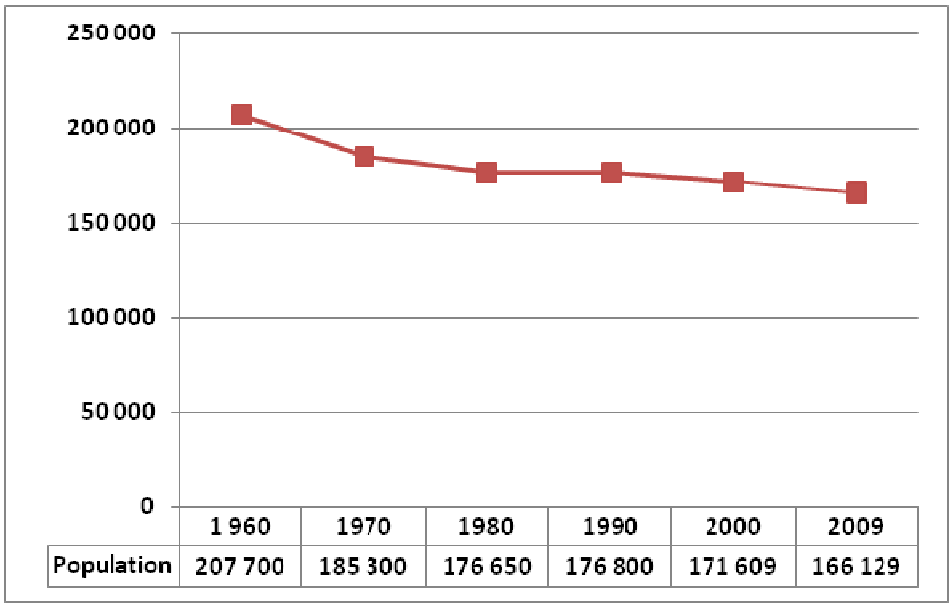
Finland, a striking example of such disengagement occurred in 2006, when the night train connection from Joensuu to the main centers of southern Finland was cancelled. This occurred despite a petition of more than 12 000 signatures favouring the continuation of this service.

parties. Due to the mechanization of forest work, the proletariat (or semi-proletariat) class had to migrate to seek work elsewhere; this partially explains the decline in support for leftist parties in the elections of 1966 and 1970, when a strong wave of out-migration hit the region (Elsinen 1982, 27).

The years after the war were a time of reconstruction and key structural changes in North Karelia. In the period 1940–1960 the population grew by 30 000 inhabitants, and had reached about 208 000 when the province of North Karelia was established in the 1960s (Virtamo 1986). This increase can be partially explained by the fact that 15 000 people were re-settled in the region as a result of the border change between Russia and Finland after the war (Pohjois-Karjalan Lääninhallitus 1985). Nevertheless, since the structural changes in agriculture could not offer new employment opportunities, starting from the mid-1950s, North Karelia – especially its rural municipalities – became an area of outmigration (Pohjois-Karjalan lääninhallitus 1985), and, as such, one of the main targets of modern regional policy (Häyrynen 2003). During the period 1960–1972, the population declined by about 20 000 people as can be seen in Figure 10; backwardness was widespread, and industrialization in many municipalities was extremely slow.



	1 960	1970	1980	1990	2000	2009
Population	207 700	185 300	176 650	176 800	171 609	166 129

Figure 10: Population of North Karelia, 1960–2009
Source: Suomen tilastollinen vuosikirja (1960–2010)

In addition, starting in the 1960s, polarization between the urban center of Joensuu and the rural population started to take shape: in the years 1960–1980 the urban population increased by about 31 000 people; at the same time, rural

population significantly declined, falling by more than 62 000 (Pohjois-Karjalan lääninhallitus 1985).

As a result of the implementation of the national regional policy in the late 1960s, however, the level of services substantially improved, and the structure of the sources of livelihood diversified. By the end of the 1970s, the workforce in the industrial sector had increased in North Karelia more than in any other Finnish province; moreover, the influence of regional policy was also felt in remote municipalities and village communities (Pohjois-Karjalan Lääninhallitus 1985). During the years of structural change, attention was given to the forest economy as well as to services. In respect to the former, for instance, the establishment of the existing paper-mill in Eno dates back to 1967; regarding the latter, emphasis was given to the establishment of educational institutions, such as the institution of higher learning (*korkeakoulu*) created in Joensuu in 1969, and inside it, the Karelian Institute in 1971. Emphasis was also given to the improvement of transport infrastructure, particularly the completion of the railway from Onkamo to Parikkala in 1966 (Virtamo 1986), which allowed a better connection of the region with southern Finland.

As a result of these actions, the steep decline in population stabilized at the mid-1970s, and the population remained just a bit under 180 000 until 1985. During the 1980s, the provision of services became the most important source of employment among North Karelian citizens, amounting to about 25% of the total work force. This percentage however was remarkably lower than the national average. Still in the 1980s, North Karelia was an agriculturally intensive region, where the farming and forestry economy had an important meaning as a source of livelihood (Virtamo 1986). Following the depression of the 1990s regional development polarized the income level in North Karelia between the regional growth center of Joensuu and the remote rural areas, as well as between the central district and its prospering adjacent settlement ring[25] (Lehtonen & Tykkyläinen 2010). In 2009, active firms in North Karelia numbered about 10 000 and employed a total of approximately 33 000 people, and the unemployment rate was 14.7% (Työ ja elinkeinoministeriö/ELY-Keskukset 2011). According to the data, the employed workforce is quite diversified: 32% of the employed is involved in the service sector, 29.1% in the manufacturing sector (see Figure 11). Figure 12 summarizes how North Karelia, starting from the Second World War has become a service sector society.

[25] According to a recent report (Työ ja elinkeinoministeriö/ELY-Keskukset 2011) the economic perspectives for the North Karelian economy are the brightest in the country: the metal industry and mining are the engines of this predicted growth. However, it remains to be seen to what extent these sectors can bring concrete benefits to remote rural areas. Lehtonen & Tykkyläinen (2010, 63) claim that "small towns and rural areas cannot successfully compete in conditions where economic growth is based on external and internal scale economies and urban-centered uni-nodal growth strategy".

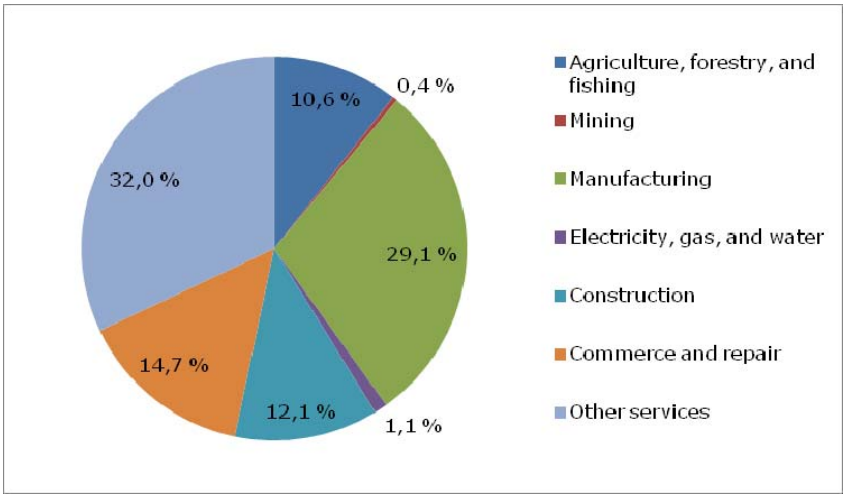


Figure 11: Percentage of work force per economic sector in North Karelia, 2008
Source: Suomen tilastollinen vuosikirja (2009)

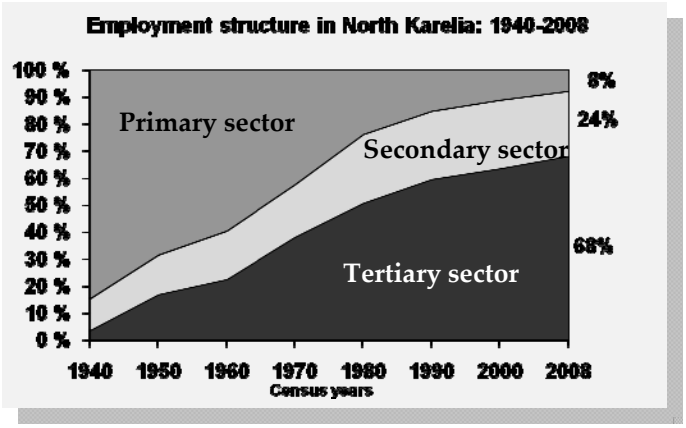


Figure 12: Employment structure in North Karelia, 1940–2008
Sources: ALTIKA database, Statistics Finland; Statistical Yearbooks of Finland; compiled partly by Jukka Oksa.

During the past few years, economic growth and development have focused in the main travel-to-work Joensuu area, and the spatial structure of the region has become increasingly uninodal (Lehtonen & Tykkyläinen 2009, 31). Even though the strongest waves of rural migration occurred long ago, the spatial concentration of the population in Joensuu has continued in recent years. Population decline is strictly linked to the function of distance; the further from the core area of growth, the greater the negative population growth. The success of the Joensuu subregion is linked to a variety of factors, including the ability to

attract and at the same time start new enterprises, as well as the growth of the university: "the ongoing concentration of population ensures that new work places in the service sector tend to be located in the city's growing neighbourhoods" (Lehtonen & Tykkyläinen 2009, 31).

The overall regional population has declined (as shown by Figure 10) from 207 700 in 1960 to 166 129 in 2009; such decline is forecast to continue in the future. According to a recent forecast report of the social and health situation of the work force in the period 2010–2030 (Pohjois-Karjalan Maakuntaliitto 2009), the overall population in North Karelia will decrease moderately in the examined period. However, there is a striking difference between the Joensuu subregion and its nearby commuter area, on the one hand, and the remote rural areas, on the other. In the Joensuu subregion, the population is forecast to initially grow and then stabilize, while in the Keski-Karjala subregion (central part of Karelia) the population will decrease by 10% throughout the period 2000–2030. The largest population loss is occurring and will continue to occur in the Pielisen-Karjala subregion (remote rural areas located in the eastern part of North Karelia), where the population will decrease by slightly more than 20%. Furthermore, the overall working population (between 25 and 59 years of age) will diminish by about 20 000 units, from about 80 000 in 2 000 to 60 000 in 2030 with the sharpest decrease in the remote rural areas of Pielisen-Karjala.

6.4 THE ROLE OF AGRICULTURE AND FARM STRUCTURES

> "The respect for agriculture has grown worldwide, and this is also visible in Finland. The shortage of food puts producers in an important position. In the future people will ask: 'who could produce food for us?' All arable land is needed for food production and should not be wasted on any other uses. At the national level markets for agricultural products are small, but worldwide Finnish products are in demand" (interview 11).

Nowadays, farming in Finland is not encompassing rurality as it did in the past; rather, it is an industrial activity, and thus is being constructed almost as an exogenous body within the countryside. As an MTK representative (interview 12) summarizes, "in the past it was difficult to differentiate between farms and living in the countryside. Now there is a distinct difference: people who are tied to agriculture are entrepreneurs, before the countryside was just one big mass". The entrepreneurial approach to agriculture, he goes on to say, has changed the way how the farmer is related to the land: "farmers have turned to 'virtual farming'; this means that they are just trying to maximize the subsidies, and every year they think about what crop would be the best to plant. Because money does not come straight from your own work, it is easier to quit whenever something better comes up … surely, every farmer would prefer to have his/her

own money straight from production and basic work, and not from artificial subsidies".[26]

In the Finnish context, North Karelia has been one of the regions hardest hit by the structural changes in agriculture.[27] As shown in Figure 13 below,[28] although the number of farms has declined sharply and steadily since the 1960s, the steepest drop occurred in the 1990s, when Finland joined the EU. In the period 1990–2010, the arable land under cultivation in North Karelia declined from 97 992 hectares in 1990 to 85 193 hectares in 2010 (about 13%); however, in the last ten years (2000–2010), it remained fairly stable, growing slightly from 83 166 hectares (2000) to 85 193 hectares (2010) (Suomen tilastollinen vuosikirja (1959–2010)).

A similar trend has occurred in the Finnish national context: in the first decade of the 21st century, the number of farms decreased by about one-fifth. In 2010, there were about 17,000 fewer farms in Finland than at the beginning of the millennium. The rate of decline has been moderate compared to the early 1990s and the first years of Finland's membership of the EU (Matilda 2011). At the national level in the period 1990–2010 arable land under cultivation witnessed almost no change, passing from 2 270 957 hectares (1990) to 2 275 184 hectares (2010).

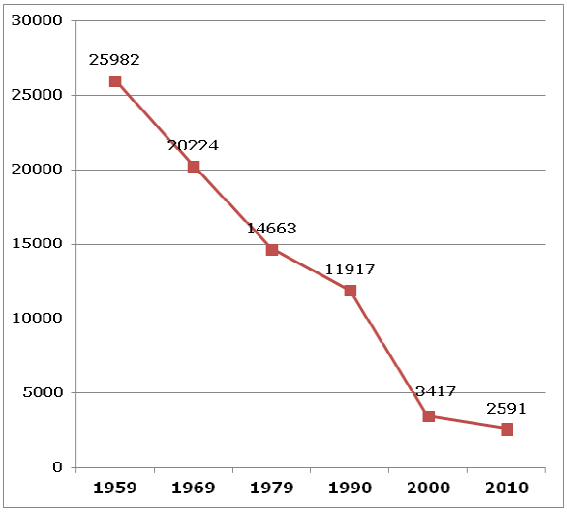


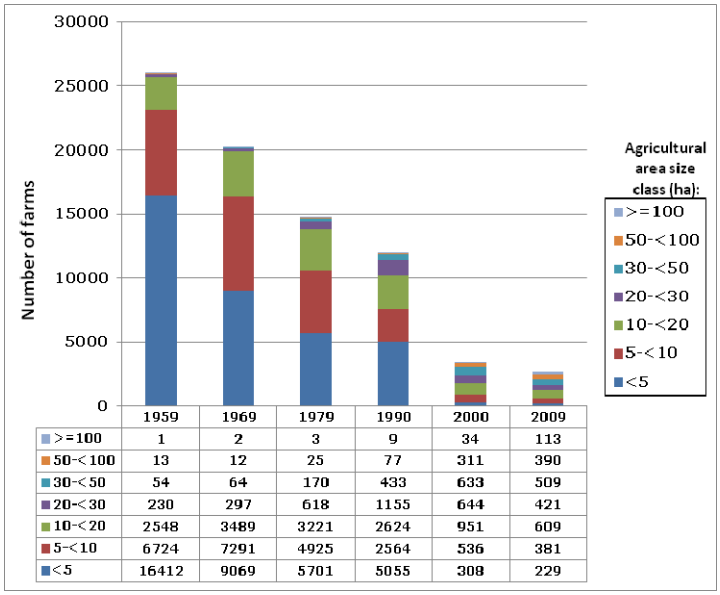
Figure 13: Number of farms in North Karelia, 1959–2010
Source: Suomen tilastollinen vuosikirja (1959–2010)

[26] On the alternative story about the structural change in food production offered by Finnish farmers who have chosen to or are about to give up farming, see Silvasti (2009).

[27] The structural change in agriculture has not been the same in all Finnish regions. In the last ten years the hardest hit regions have been eastern and northern Finland, while agriculture concentrates more and more in fewer regions located in southern and western Finland; those are the regions where population and economic activity are also concentrated (Voutilainen et al. 2009).

[28] Since 2000, Finnish statistics have included those farms under one hectare in size where agricultural production exceeds a certain imputed value.

Beyond the sharp decline in the number of farms, the profound structural change in agriculture can be tangible in light of other three phenomena. Firstly, an enlargment of farm enterprises has taken place. As Figure 14 indicates, in North Karelia small farms (under five hectares), which were in the majority in the sixties, have almost disappeared; in contrast, the number of farms above 30 hectares has risen considerably. The current average arable land area is 31.66 hectares (Suomen tilastollinen...1959–2009; Matilda 2011c). As can be seen in Figure 15, at the national level the concentration of the structure of farming is quite evident: on the one hand, most farms in the period 2005–2007 are in the 50 to 200 hectare category, on the other hand, small farms (less than ten hectares) have almost disappeared (Eurostat 2009a).



	1959	1969	1979	1990	2000	2009
>=100	1	2	3	9	34	113
50-<100	13	12	25	77	311	390
30-<50	54	64	170	433	633	509
20-<30	230	297	618	1155	644	421
10-<20	2548	3489	3221	2624	951	609
5-<10	6724	7291	4925	2564	536	381
<5	16412	9069	5701	5055	308	229

Figure 14: Agricultural area size class in North Karelia, 1959–2009
Source: Suomen tilastollinen vuosikirja (1959–2009)

Another tangible result of the structural changes in agriculture can be identified by examining the evolution of the number of members enrolled in the local Central Union of Agricultural Producers and Forest Owners (MTK) throughout the years, from 1960 to 2010. In Figure 16, it is significant that after the Second World War the number of members grew fairly rapidly (thanks also to the foundation in 1959 of the MTK Women's Committee, which allowed them to participate in MTK administration; Maatalous... 1993) reaching a peak in 1965. In the decade 1960–1970, enrollment was fairly stable while the decline starts dramatically in the 1970s, and continued in the period in which Finland joined the EU (1990–1995).

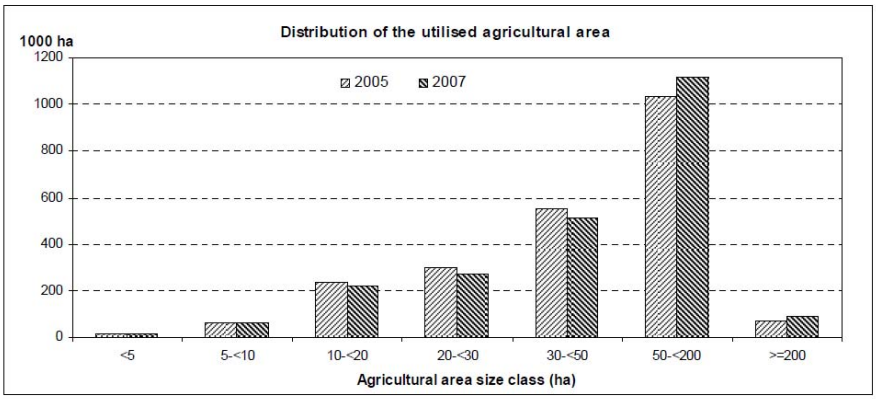


Figure 15: Farm structure in Finland according to hectares, 2005–2007
Source: Eurostat (2009a)

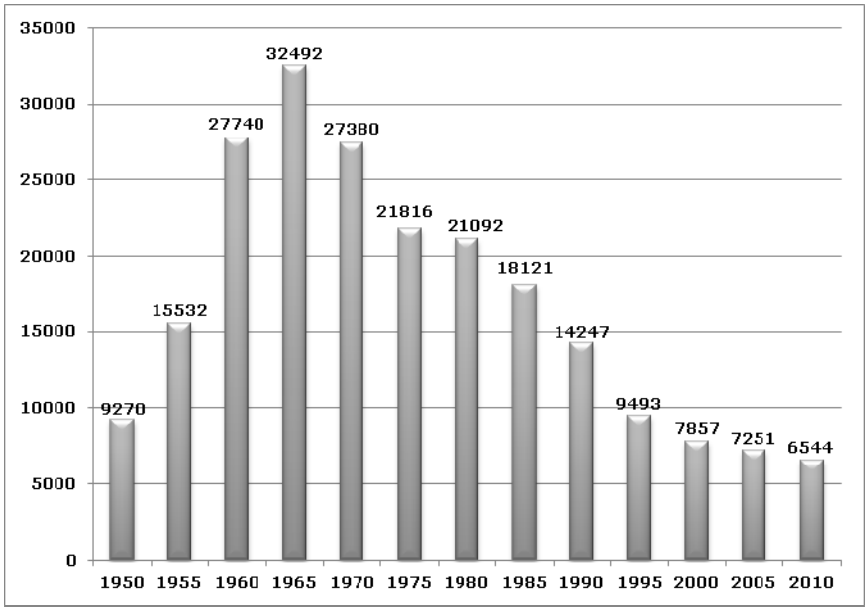
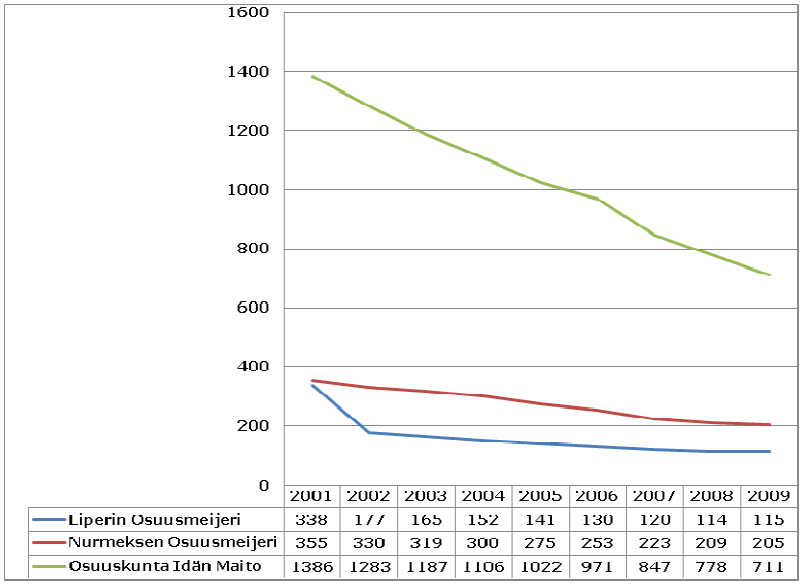


Figure 16: MTK members in North Karelia, 1950–2010
Source: MTK Pohjois-Karjala (2011)

Last but not least, the phenomena of concentration and specialization can be traced in the evolution of membership in dairy cooperatives in the region. Figure 17 below clearly shows that in the period 2001–2009 (before the merger) membership substantially declined in all three local dairy cooperatives. Currently, in North Karelia there are no truly regional agricultural cooperatives; there are, however, branches of nation-wide agricultural cooperatives whose headquarters are located mostly in western Finland (for instance, the two egg

cooperatives, *Munakunta* and *Österbottens äggcentrallag*, and the LSO meat cooperative). In the context of North Karelian dairy cooperatives, in 2010 the *Itä-Maito* co-operative, which belongs to the national brand *Valio*, was established through the merger of three local cooperatives (*Liperin Osuusmeijeri*, *Nurmeksen Osuusmeijeri*, and *Osuuskunta Idän Maito*) with *Alueosuuskunta Promilk*, and *Kainuu Osuusmeijeri*. Itä-Maito accounts for one-fourth of the total national milk production (Maaseudun Tulevaisuus 12.02. 2010b).



	2001	2002	2003	2004	2005	2006	2007	2008	2009
Liperin Osuusmeijeri	338	177	165	152	141	130	120	114	115
Nurmeksen Osuusmeijeri	355	330	319	300	275	253	223	209	205
Osuuskunta Idän Maito	1386	1283	1187	1106	1022	971	847	778	711

Figure 17: Membership in regional dairy cooperatives, 2001–2009
Source: Researcher Sarnavaara, Pellervo (2011)

These deep structural changes in farm structure in the Finnish countryside are not exclusively typical of North Karelia; the same phenomena of concentration and enlargement are also occurring in Lapland. Vihinen (2011), a Professor of Rural Policy, claims that the concentration of production thins the network of farms; a consideration should be made in regard to continuing this strategy of concentrating production (Maaseudun Tulevaisuus 29.04.2011d). On this topic, an MTK representative (interview 16) claims that:

> "in the long run the biggest problem is how we can secure the continuity of agriculture. Especially in areas like North Karelia many of the farmers are old … if there were only one huge farm in the village (Valtimo), I don't know any reason to continue … if agriculture in this area stops, it will smash the population, how could even the center of Valtimo stay vital? Despite of all kinds of projects, no new source of livelihood has been found that would work here. And in Valtimo there are not many jobs in the public sector or many enterprises".

Another MTK representative (interview 13) remarks that "the vulnerability of basic agriculture will increase markedly because of bigger farm size, specialization and entrepreneurial approach. Especially in North Karelia agriculture is more sensitive to price fluctuation. If those five big farms in Juuka quit, there will be nothing left…". Beyond concentration, enlargement, and specialization, agricultural vulnerability could in the long run also be exacerbated by urban encroachment: "expansion of the city can make basic agricultural work more complicated. For example, south of Joensuu there are already some problems. Farms that have had cattle for years are now facing new restrictions because of the new residential areas. They are not allowed to work around the clock because people nearby need to get their sleep. Sometimes you are forced to work during the night (for example, because of weather conditions), and if that is forbidden it would be unfair to farmers and their livelihood" (interview 15). A consequence of agricultural deactivation would be that "if agriculture stops then it would be difficult to restart it later if there were the need. For example, on the Russian side of the border the knowhow has disappeared in one generation" (interview 16). According to an EU-funded research project (EUROLAN) on rural marginalization in Finland, 10% of agricultural land is either marginalized or threatened by marginalization, mostly in eastern and northern Finland: "the heavy regional concentration of dairy farming in a few areas and arable farming in others pose the greatest threat to soil quality, biodiversity, and landscape" (Vihinen 2006, 225). Last but not least, cultural factors may influence the increasing agro-business approach taken both regionally, and nationally. A MTK representative (interview 14) claims that "if we look at the situation from Russia, via Finland and Sweden to Norway, it is obvious that the farther west we go the more appreciation given to traditional elements such as buildings and landscapes".

However, in North Karelia agriculture as a source of livelihood has a relevant role: this is remarked by Pasanen (MTK North Karelia), Parviainen (Pro Agria), Turtiainen (North Karelian agronomists), and Piironen (*ItäMaito*) in an article by Karjalainen (16.11.2011a, 15) on the importance of preserving agronomist training and education in Joensuu. Such institution not only supports the development of rural businesses, but also it has done a very large scale investment in setting up the bio-economy center, which combines rural, forestry, and environmental education under the same roof. According to the report "*Tankit täyteen*" (Pohjois-Karjalan maakuntaliitto 2011), in North Karelia about 4 500 people earn their livelihood from the food sector; of these, about 3 500 are placed in primary production, and about 1 000 in food processing. The largest food sector employers are Valio, which deals with dairy products, and HK Ruokatalo, in meat production. Within the country, North Karelia is the fifth largest milk producer and the fourth beef producer (Matilda 2011a; Matilda 2011b); Valio's Joensuu factory produces one-third of Finland produced cheeses (Pohjois-Karjalan maakuntaliitto 2011). In 2010, the total number of farms in the

region was 2 591 (Matilda 2011c). Of these, 31% (821 farms) were classified as diversified (their economic activity does not exclusively involve primary production, but also other economic activities). In the period 2000–2007, the number of diversified farms remained almost the same in the region (966 in 2000; 960 in 2007), but in the past three years there has been a 15% decline (Matilda 2011d). In 2010, the most important activity within diversified farms in North Karelia was provided by services (77%), industry (13.5%), trade (5.1%), primary production (2.4%), and construction. Table 3 below shows the different sub-categories within the "industry" and "services" activities in 2007. In regard to industry activity, relevant sub-categories are energy production and timber processing, while for the services activity contracting is the most important sub-category (Tietopalvelu MMMTike 2011).

Table 3: Diversified farms by main line of business in North Karelia, 2007
Source: Tietopalvelu MMMTike (2011)

Main line of business	Percentage of diversified farms by main line of business (2007)	Number of diversified farms by main line of business (2007)
PRIMARY PRODUCTION	**2.5**	**24**
INDUSTRY	**24.4**	**233**
Food processing	*3*	*29*
Processing of other agricultural products	*0.8*	*8*
Timber processing	*6.5*	*63*
Handicrafts	*2.5*	*24*
Energy production	*8.6*	*83*
Other production	*3*	*27*
CONSTRUCTION	**2.5**	**23**
TRADE	**5.5**	**53**
SERVICES	**65**	**626**
Tourism accommodation	*6*	*58*
Contracting	*41.5*	*400*
Other services	*17.5*	*168*
UNKNOWN FIELD OF ACTIVITY	**0.1**	**1**
TOTAL	**100**	**960**

Finnish farms have a relatively high degree of diversification in the European context; in 2010, 31% of Finnish farms were diversified (Matilda 2011d). Similarly to North Karelia, in the Finnish context the most important activities in diversified farms are services (74%), industry (14%), primary production (5%),

trade (4.4%), and construction (2.6%). In proportion, the number of diversified farms is highest in Lapland (39%), Uusimaa (38%), and Ahvenanmaa (36%), and the smallest in southern Ostrobothnia (26%), as well as in Ostrobothnia and northern Ostrobothnia (both 27%) (Matilda 2011d).

Organic production in North Karelia is on the rise; in 2010, farms that had a contract for organic production in the region numbered 311; in recent years development has been favorable: not only has the number of farms engaged in organic production grown, but also their size has increased. In the Finnish context, North Karelia ranks third in regard to organic production, with 11%, preceded only by Kainuu (12%) and Ahvenanmaa (24.8%) (Evira 2010). In regard to the local food production, the picking, cultivation, and export network of mushrooms is significant. North Karelia is considered the best area in Finland for mushrooms; especially boletuses are shipped to European markets both fresh and frozen and thousands of North Karelians every year collect mushrooms and receive a significant secondary income (Pohjois-Karjalan maakuntaliitto 2007). Among the potential strengths of North Karelian agriculture are game farming, especially boars and birds (the number of farms in this sector has increased rapidly), as well as berry production (especially strawberry, which is the most important berry from an economic point of view in the region), bakeries, and fishing. From the perspective of the market, commercial fishing has good potential, since lake fish has in recent years been in demand. Difficult challenges to the development of North Karelian fishery is the weak support for fishing and the small number of professional fishermen involved in this activity (Pohjois-Karjalan maakuntaliitto 2011). Another key potential for North Karelian agriculture is (a potential and long-lasting) increased temperature, which would bring more opportunities concerning the extension of the growing season (Maaseudun Tulevaisuus 29.04.2011d). Last but not least, a MTK staff member (interview 11) claims that "the closeness to St. Petersburg, which has about 8 million people, is a positive thing since in that region markets and the standard of living are growing, and people demand high quality food".

6.4.1 Regional strategies: the changing meaning attributed to agriculture

On the basis of the structural changes witnessed by North Karelian agriculture, as well as the increasing opportunities that high quality food can have in national and international markets, an analysis of the regional strategies by the Pohjois-Karjalan Maakuntaliitto of the last ten years suggests a change in the meaning attributed to agriculture.[29] As for the regional strategies, the key words

[29] The regional strategies considered are the following: "Maakuntaohjelma (*POKAT 2006*) Pohjois-Karjala hyvästä paremmaksi" (2003), "Pohjois-Karjalan maakuntasuunnitelma 2025" (2005), "POKAT 2010 Pohjois-Karjalan maakuntaohjelma 2007–2013" (2006), "Ruoasta elämys Pohjois-

"*maatalous*" (agriculture), and "*elintarvike*" (food), along with their associated derivatives, have been chosen for analysis. While the former (*maatalous*) represents the "production" side of the rural/agricultural spectrum, the latter (*elintarvike*) represents the "consumption" side. On the basis of the empirical data collected, the regional programmes investigated can be divided into three groups. The first group includes the short-term regional programme 2003–2006 (written in 2003), and the longer term plan 2025 (written in 2005). The second group includes the regional programme 2007–2010 (written in 2006), while the third group includes the two strategies on the food sector (one written in 2007, and the other in 2011), and the two regional strategies, one short term 2011–2014 (written in 2010), and the other one long-term (also written in 2010).

In the first two regional programmes, where data have been compiled in Table 4, the focus is on the production side of the agricultural/rural spectrum. Firstly, evidence is shown by the presence of a higher number of keywords devoted to the concept of *maatalous* and its derivatives rather than to the concept of *elintarvike* (food) and its associated fields. Secondly, a few key quotations in these two strategic documents highlight not only the 'productive' role of agriculture, but also, and most importantly, its links to the landscape with important implications on cultural and natural heritage, housing, and accessibility. In particular, the following quotations describe this point very well:

1) "active agriculture keeps the landscape open and cared for" (Pohjois-Karjalan Maakuntaliitto 2003, 72);
2) "the importance of agriculture in North Karelia is still significant. Agriculture produces raw material for the food industry as well as supports tourism and housing in the region, which are vital to the rural landscape" (Pohjois-Karjalan maakuntaliitto 2005, 22);
3) "agriculture and its associated conditions are important not only to rural employment, but also to the maintanance of infrastructure, rural landscape and to the richness and diversity of the cultural and natural heritage" (Pohjois-Karjalan maakuntaliitto 2005, 75);
4) "although the meaning of primary production as a source of rural employment has declined, the ability of agriculture to cope with a more competitive market will continue to affect rural development in an important way" (Pohjois-Karjalan Maakuntaliitto, 2005, 38).

Karjalan elintarvikealan kehittämisohjelma 2007–2010" (2007), "Pohjois-Karjalan strategia 2030 -maakuntasuunnitelma" (2010a), "POKAT 2014 Pohjois-Karjalan maakuntaohjelma 2011–2014" (2010b), and "Tankit Täyteen Pohjois-Karjalan elintarvikeohjelma 2014" (2011).

Table 4: Number of key words in the first group of regional strategies

North Karelian Regional Programme from good to better (2003)	
MAATALOUS	ELINTARVIKE
maatalous (3)	*elintarvikeklusteri* (3) (food cluster)
maatalouspolitiikka (2) (agricultural policy)	*elintarviketalous* (food economy)
maatalousyrittäjät (agricultural entrepreneurs)	*elintarvike ala* (food sector)
perusmaatalouden kehittäminen (development of basic agriculture)	*laatuelintarvike* (quality food)
North Karelian regional development plan 2025 (2005)	
maatalous (10)	*elintarvikeketju* (2) (food chain)
maatalouspolitiikka (2)	*elintarviketeollisuus* (2) (food economy)
maatalousala (2) (agricultural sector)	*elintarviketoimiala* (field of action of food)
maataloustuki (agricultural support)	
maatalousyrittäjä	
maataloustuottaja (agricultural producer)	

Starting from the regional strategy compiled in 2006 (POKAT 2010 – Pohjois-Karjalan maakuntaohjelma 2007–2010), the results of which have been compiled below in Table 5, agriculture is mentioned neither in relation to landscape or any longer to cultural heritage. Attention shifts significantly to the concept of "elintarvike" and its associated derivatives (food sector, food economy, food chain, food cluster, food research, food region, for instance). At the same time, keywords related to maatalous, although still present, almost disappear.

Table 5: Number of key words in the mid-strategy of 2006

POKAT 2010 – North Karelian region plan 2007–2010 (2006)	
MAATALOUS	ELINTARVIKE
maatalousyrittäjyys (agricultural entrepreneurship)	*elintarvike klusteri* (7)
maatalous (5)	*elintarvikeala* (6)
maatalouspolitiikka	*elintarvike* (2)
	elintarvikesektori (food sector)
	elintarviketeollisuus
	elintarvikestrategia (food strategy)
	elintarviketeknologia (food technology)
	elintarviketuotanto (food production)

In regard to the third group of regional strategies written in 2007, 2010, and 2011 (results compiled in Table 6), a few key points need to be discussed. Firstly, the region starts to be defined as "elintarvike maakunta" (the region of food); this term is present in three of the four strategies, as can be seen below in the table. Culture is associated with food: "North Karelia is a strong food region, which recognizes the traditional food culture. Our region is at the top level in the country both as producer and processor of raw material" (Pohjois-Karjalan maakuntaliitto, 2007, 5). It is also noted that future trends are characterized by safe, healthy, and local products; in light of this, North Karelia has good perspectives (Pohjois-Karjalan Maakuntaliitto, 2010b). Secondly, the Pohjois-Karjalan maakuntaliitto (2007, 15) emphasizes that research [30] on food (elintarviketutkimus) should be strenghtened, for instance, by increasing cooperation between research institutes across regional boundaries. Thirdly, two dominant, encompassing key concepts in the regional strategies are "*elintarvikeklusteri*" (food cluster) and "*elintarvikeketju*" (food chain). The Regional Council (2010) explains the concept of food cluster, which, on the basis of its holisticness, replaces the concept of agriculture in providing countryside multifunctionality:

> "the meaning of food cluster is both economic as well as ethical. The term is employed in agriculture and processing. It also guarantees the region the availability of clean, domestic, and locally produced food. It invests in the development of agriculture, in supporting dairy farms. In addition, it indirectly affects many other industries, such as transport and tourism. Food clusters have a significant impact on the vitality of rural areas and the balanced development of the entire region" (Pohjois-Karjalan Maakuntaliitto, 2010b, 32).

Considering the food chain concept, Pohjois-Karjalan maakuntaliitto (2011, p. iv) specifies that the food program strategy covers the whole food chain, which includes both food processing and its associated action, as well as basic production. In sum, on the basis of the investigated regional strategies, there has been increasing attention paid to the 'consumption side' of the agricultural/rural spectrum. Even though the concept of agriculture is still present in policy documents, the focus is increasingly concentrated on the consumer, rather than the producer.

[30] The University of Eastern Finland does not have a department focused on agricultural studies; however, there has been relevant research both on the production and the consumption side of the agricultural/rural spectrum in North Karelia. In particular, Sireni (1992, 1994, 2002) has written about part-time farming as a possibility in living in the countryside as well as exclusion and integration dynamics among small farmers of the region; Konttinen (2008) has discussed quality in local food production, Roslakka (2005) organic production, and Mustakangas (2007) diversification of the farming business.

Table 6: Number of key words in the third group of regional strategies

Ruoasta elämys – North Karelian food sector development programme 2007–2010 (2007)	
MAATALOUS	**ELINTARVIKE**
maatalous (6)	*elintarvikeala* (36)
Maatalousyrittäjiä	*elintarvikemaakunta* (food region)
maatalouspolitiikka	*elintarvikeryhmä* (food group)
maataloustuotteet	*elintarvikeketju*
	elintarvike
	elintarviketeollisuus
	elintarviketutkimus (food research)
POKAT 2014 Pohjois-Karjalan maakuntaohjelma 2011–2014 (2010)	
maatalous (6)	*elintarvikeklusteri (7)*
maatalousyrittäjyys	*elintarvikeala (4)*
	elintarvike (2)
	elintarviketuotanto
	elintarvikestrategia
	elintarviketeknologia
Pohjois-Karjalan strategia 2030 – maakuntasuunnitelma (2010)	
maatalous	*elintarvikeala (6)*
	elintarvikemaakunta
	elintarvikeketju
	elintarviketuotteet
	elintarvikeyrittäjiät
Tankit Täyteen Pohjois-Karjalan elintarvikeohjelma 2014 (2011)	
maatalous (4)	*elintarvikeala (28)*
maatalousyrittäjiä (2)	*elintarvikeketju (5)*
	elintarviketeollisuus (5)
	elintarvike (3)
	elintarvikeryhmä (2)
	elintarvikemaakunta
	elintarvikesektori
	elintarvikekilpailu (food competition)
	elintarvikehankinta (food competition)
	elintarviketuotanto
	elintarvikesektori

Along the lines of the recent regional strategic documents by the Regional Council, there is also a strategic document by the Karelian Institute of the University of Eastern Finland, the key institution of the region devoted to regional and rural development. In one of the research fields of the Karelian Institute, "strategies of resilience and resistance in rural areas" (Karjalan tutkimuslaitos 2009, 3), it is stated that one of the research goals are issues related to food. At the national level, in article by Maaseudun Tulevaisuus (18.05.2011c, 6), entitled "*MMM:lle uusi nimi?*" (A new name for the Ministry of Agriculture and Forestry?), the Director of Communication of the Ministry of Agriculture and Forestry, Väisänen, claims that its name "will be modernized". In his opinion, the name of the ministry should emphasize in particular the importance of food. Ministries where the name 'food' is used are, for instance, in Denmark, Germany, Great Britain, Holland, and Norway. In Sweden there is the Ministry of the Countryside, but in its business lines "countryside", "food", and "animals" can be found. In particular, for the case of Finland, he suggests (as names to be considered) "Food and Countryside Ministry" (*ruoka- ja maaseutu-ministeriö*), or "Food and Bioeconomy Ministry" (*ruoka- ja biotalousministeriö*).

On the basis of the above-discussed role of agriculture as well as rural development, where the dynamics have been explained in the light of a top-down led region-building process, the goals of the next two sections (6.5 and 6.6) are to investigate rural development and agricultural processes in the social, cultural, and economic arena of the LEADER programme.

6.5 LEADER IN NORTH KARELIA: MAIN FEATURES AND ACTORS

In North Karelia, the Joensuun Seudun LEADER Ry Local Action Group includes – in the current period 2007–2013 – the municipalities of Joensuu[31], Liperi, Kontiolahti, Outokumpu, and Polvijärvi (Figure 18). In the previous period 2000–2006, although the area covered by the LAG was the same, it included also the municipalities of Kiihtelysvaara, Eno, and Pyhäselkä, which have all been merged with the municipality of Joensuu. The municipality of Kiihtelysvaara was merged in 2005, Eno and Pyhäselkä in 2009.

Compared to the other LAGS present in North Karelia (*Vaara-Karjalan LEADER Ry*, and *Jetina*) the peculiarity of the Joensuun Seudun LEADER Ry is that it includes three different areas. Just outside the city of Joensuu is a zone of residential areas. Farther away is a zone of agricultural land and even farther, remotely and sparsely populated areas. Only the areas nearby the city of Joensuu are growing, while the other municipalities are losing population. Population growth is especially concentrated within a reasonable commuting

[31] The area within the city boundaries is excluded from the programme.

distance, and housing is becoming an important source of livelihood for the countryside. At the same time, commuting from the city to work places in the countryside is growing. Thus the interplay between the countryside and the city is becoming bidirectional. In the areas farther away from the city, however, the number of people is diminishing by about 1.5% per year. This phenomenon is partially caused by migration, as well as by the negative ratio of births to deaths (Joensuun Seudun LEADER Yhdistys 2007).

Figure18: LAG Joensuun Seudun LEADER Ry

The *Joensuun Seudun LEADER Ry* Local Action Group was established in the spring of 1995 by a group of active and pioneering individuals when the first news about the LEADER approach started to circulate in Finland (LEADER Achievements…2007). Two project staff members from the Regional Council of North Karelia, along with the current Local Action Group manager, organized a meeting to select a working group to design the LEADER II strategy. The LEADER II Programme of the region was written during the summer and fall of 1995. At the outset, Joensuun Seudun LEADER was an informal association with no official status; it was a group of about 15 to 20 people with different backgrounds and networks (such as village activists, entrepreneurs, municipal officers and researchers) who collected ideas for the LEADER II development plan from their own networks. Joensuun Seudun LEADER acquired official status as a registered non-profit association in June 1996 at a meeting of 86 participants (LEADER Achievements…2007).

During LEADER+ (2000–2006), the main goals of the programme (whose name was *Aktiviinen kansalaisyhteiskunta*, or active civil society) in this area were

improving the quality of life of people living in the countryside, and also strengthening the diversity, plurality, and activeness of its remote regions. A total number of 238 projects were funded; the LAG has funded projects with a clear 'local' orientation, for instance, excluding large organizations such as the North Karelia Educational Federation of Municipalities (*Pohjois-Karjalan koulutuskuntayhtymä*), or *Pro Agria* (Joensuun Seudun LEADER Yhdistys 2007); the goal has been to finance projects for young people and entrepreneurs within villages as well as projects which promote the idea of city residents and tourists visiting the countryside. In the Joensuun Seudun LEADER 2000–2006, the LAG board included 10 members from the municipal sector, which included the *maaseudunsihteerit* (countryside secretaries) and politicians at the municipal level, 17 from different organizations (mostly village associations, especially 4H-clubs), and 11 active local residents. Total funding amounted to about 7.5 million € (Joensuun Seudun LEADER Yhdistys 2007).

Vaara-Karjalan LEADER includes, in the current LEADER period (2007–2013), the municipalities of Juuka, Nurmes, Valtimo, Lieksa, and Ilomantsi (Figure 19). In comparison to the previous programming period (LEADER 2000–2006), the municipality of Tuupovaara (which nowadays is part of the municipality of Joensuu) belongs to the *Joensuun Seudun LEADER*. Vaara-Karjala is characterized by abundant lakes, hills, sparse population and long distances; in its eastern parts, there are vast wilderness areas with no permanent settlement. The road network is extensive, but its condition is deteriorating. Although buses run from many villages to the local schools of the centers of the muncipalities, many routes will be reduced significantly in coming years.

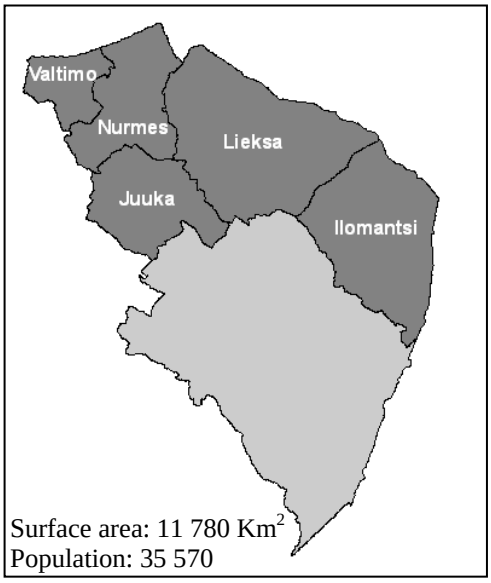


Figure 19: LAG Vaara-Karjalan LEADER ry

Two other key challenges in this area are population decline and unemployment, the latter being higher than the national average. In all municipalities the death rate is higher the birth rate, and an increasing proportion of the population lives in the municipality centers of the region. At the same time, all municipalities have many so-called holiday residents, and the number of holiday homes has increased by about 50 units a year. The greatest strengths of the region are the natural resources, local culture, tradition, natural history as well as the opportunities provided by an uncontaminated rural space where a variety of nature activities can be practiced. Possible developments for the region are the mining industry, especially in Ilomantsi and the area close to the Kainuu region. During LEADER+, *Vaara-Karjalan LEADER* funded a total of 256 projects (153 development projects and 103 enterprise projects) for a total of about 6 300 000 €. Among the development projects, the largest number of beneficiaries was represented by a variety of village associations (105 projects), while among the enterprise projects, the highest number of applications funded consisted of the service sector (46 projects); in the years 2000–2007, the board included a total of 54 members, of which 30 were official members and 24 vice-members (Vaara-Karjalan LEADER Ry 2007a; Vaara-Karjalan LEADER Ry 2007b).

An examination of the professional background of the Finnish interviewees (or human agents), indicates that these individuals are very active; they come from civil society and they work for it; fourteen have performed varied and multiple roles in the field of rural development and/or in the agricultural sector at some stage of their working career (see Table 7); furthermore, many of the interviewees have direct experience in the village movement, both as activators and as developers.

For instance, one interviewed rural entrepreneur owns a farm and has been active in social and political life since the beginning of the 1990s. He did environmental studies and worked as a developer in the fishing industry. After moving to North Karelia, he started his own consultant firm, and in the 1990s became familiar with EU projects and the LEADER Programme. He has been a municipal councillor as well as chairman of a municipal executive board for over 10 years. This rural entrepreneur has also been a member of civic organizations and village commissions, for instance, *Pohjois-Karjalan Kylät* (North Karelia Village Association) and *Suomen Kylätoiminta* (Finnish Village Association), and was one of the founders of the Local Action Group of Central Karelia. He knows the village actors in North Karelia quite well, as well as the three local action groups of this region. Another interesting informant's background is that of a researcher who has worked at the Ministry of Agriculture and Forestry in the working group that drafted LEADER II. He also worked in international organizations, in particular the International Fund for Agricultural Development and in the EU Commission. As for LEADER, this researcher has been involved in some training activities and national evaluations. A staff member of *Pohjois-Karjalan Kylät* has also been quite active in

his working career. He has been involved in many associations and federations, with some working experience on national campaigns to collect money and develop cooperation. His first experience with LEADER was in a working group to design the LEADER Programme for the local action group of *Vaara-Karjalan LEADER*. In that Local Action Group, he has been a board member as a rural resident, a representative of a village association, and a municipality member. A rural entrepreneur in the forest sector has both experience as a member of the Joensuun Seudun LEADER executive committee as well as chairman of the same Local Action Group.

Table 7: Multiple role of North Karelian rural developers

Senior researcher: has been village activist, involved in LEADER (*Joensuun Seudun LEADER*)
Researcher: has been civil servant and trainee in EU Commission
High-ranking civil servant: has been involved in LEADER (other LEADER Local Action Group)
Representative of Village Action Association: has been rural researcher, LEADER experience at central level
Representative of Village Action Association: has been involved in LEADER (other LEADER Local Action Group)
Representative of the Central Union of Agricultural Producers and Forest Owners: has been involved in other LEADER LAG
Rural secretary: has been involved in LEADER
Rural secretary: has been involved in LEADER
Rural secretary: has been involved in LEADER
Regional village coordinator: has been involved in other LEADER Local Action Group
Rural entrepreneur / municipal councillor: has been involved in other LEADER Local Action Group
Village developer: has been involved in LEADER
Village activist: has been involved in LEADER
Project manager: has been involved in LEADER

On the basis of thematic analysis (whose code levels are shown in Figure 20), the empirical data extracted from the interviews suggest that the LEADER approach in this region has been characterized by two main overarching and inter-dependent themes: subpolitics and villages. Regarding the "subpolitics" theme, the key interpretative codes are cooperation and competitiveness, while for the "villages" theme, the main interpretive code is "cultural and social power of villages". A village movement officer remarks that "without the village

movement and villages, we would not have any LEADER system in Finland" (interview 9). One rural researcher and activist (interview 3) argues that when the *Joensuun Seudun LEADER* was established most of the people involved were village activists who had a core role in starting and running this EU partnership. A staff member of the North Karelia Village Association (interview 19), defines the village movement in North Karelia as very strong:

> "while other village regional organizations have between 20 to 70 associations, in North Karelia there are more than 200. It is a characteristic of North Karelian society that we have village associations and committees … North Karelia, Kainuu, North Ostrobothnia … some of these eastern and northern regions have very strong village movements. In the 1970s and 1980s, North Karelian society and economy suffered, and village movement was something by the people for the people. The *lääni* (province) was working in the villages, we had its support, and now that of the *Maakuntaliitto* (Regional Council)".

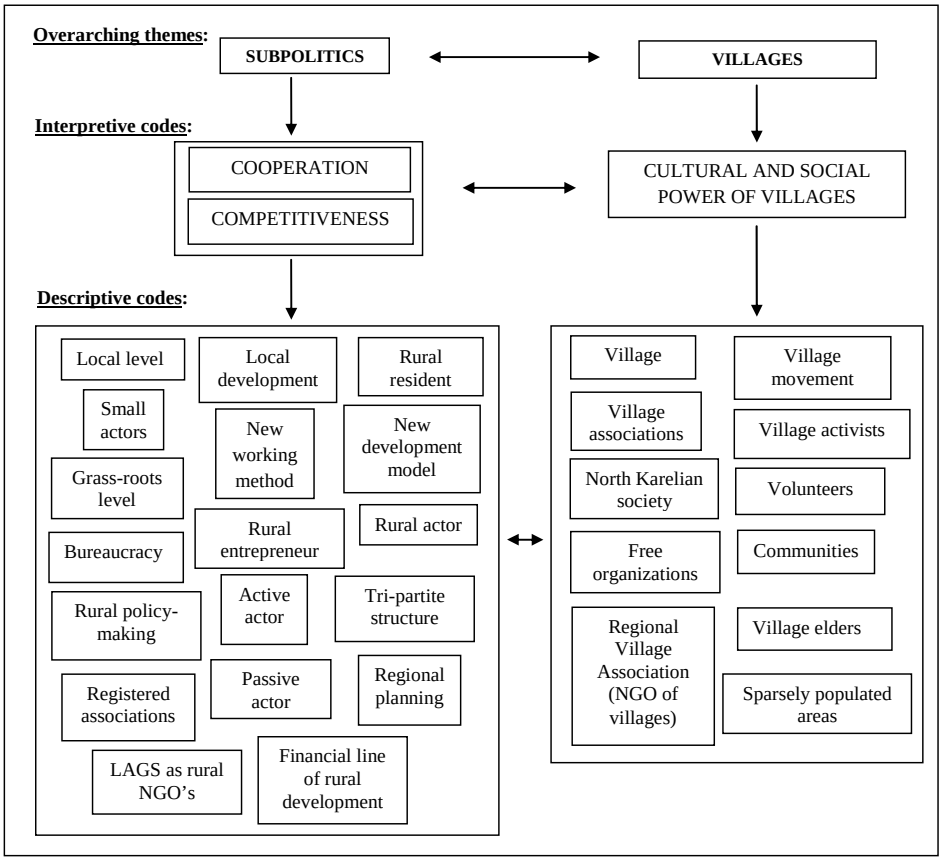


Figure 20: Thematic analysis for the North Karelia case study

Thus the village, along with its social and cultural power, can be considered a key structure in the North Karelian context, and, as shown in Figure 21 (Debate 1), its interaction with the LEADER Programme social structure has produced a variety of changes.

DEBATE 1

Interviewee 1: it was a real revolution that associations based on volunteers (and not politicians) received money for development purposes.

Interviewee 17: before LEADER it was really difficult for villages to find sponsors for their projects and plans. Usually it was the municipalities who funded villages. During the past ten years, the financial situation of municipalities has substantially weakened, and they have not had the money for the kinds of projects that are now funded by LEADER.

Interviewee 23: here [in North Karelia] LEADER funding made village projects possible. Villages quickly realized that LEADER was one good way to get more money to develop themselves. LEADER offers resources and a new development model/working method … It becomes part of the regions' livelihood strategies … small actors, associations and communities in particular get their own development strategy.

Interviewee 4: village activists were able to bypass municipalities and old political leaders … a trans-municipal level and consolidation of village action came about.

Interviewee 17: LEADER has activated the villages to function by themselves, they are not just waiting for ready-made things … villages are looking for alternative ways, there are other ways of doing things than just with the support of the municipality.

Interviewee 19: on a broader perspective, which crosses national borders, there are good possibilities that the Finnish village movement could be a model for organizing local development movements in other countries such as Poland or Hungary, which are witnessing the same type of problems that Finland experienced in the 1970s or 1980s.

Interviewee 27: there is the risk that initiative and new ideas will run out. New ideas won't emerge forever because the population base is not big enough.

Interviewee 22: you need a new, younger gang there. The countryside is not supposed to be a pensioners' club; you need younger people and a renewal of the group. No one needs to get too exhausted; everyone needs time to rest every now and then.

Interviewee 1: at the beginning it was a bit difficult to make villagers understand that if they wanted to have the funds, they had to have a plan for using it and use the money as they have planned.

Interviewee 19: there is the risk of village associations becoming clubs of village elders or cultural clubs … the issue is the extent to which such village associations can mobilize youth in sparsely populated areas.

Interviewee 20: active actors are getting older; there should be more young people involved in the process.

Interviewee 1: the whole system is based on active people … if you are active you are a winner, if you are passive you are a loser. It is not a very democratic system, it is a bit opposed to the idea of the welfare state.

Interviewee 20: the passive people are always the problem, if you design a good project

for a village or region (thanks to the active people) and if you have good leaders for the projects, then some passive residents are drawn in … at least to some extent … well-designed projects have also increased the population of certain villages … people have moved in due to the new activities.

Interviewee 11: agricultural policy makes more winners and losers in the Finnish countryside.

Figure 21: Interaction between LEADER and the village social structure

At first sight, the empirical material collected suggests that the most apparent change brought by the LEADER Programme has been the opportunity for villages to have access to new resources for their projects and plans, especially in light of the municipalities' financial difficulties; however, in a more careful inspection, the LEADER programme has brought competitiveness, shifting the responsibility of development to the local level. It is no longer the duty of politicians to handle development; it is the unrepresentative world of sub-politics that handles projects and plans.

If, on the one hand, competition rewards the skilful and active agents, at the same time it inevitably excludes others. Not all village associations, as a rural researcher remarks (interview 4), have been able to sieze the opportunity of LEADER funding in North Karelia. North Karelian villages can be divided in three groups: one-third of the 230 villages present in the territory can be classified as very active, one-third as running the basic village activities, and one-third as inactive. Firstly, a few interviewees have suggested that some villages did not want to commit themselves to the LEADER process and its related bureaucracy, they wanted to remain free organizations. Secondly, when villages did become registered associations, not all of them were willing to start development projects. This has depended on whether people in the villages are active and whether they have time to commit to local development (or as a rural secretary remarks, there is a 'community spirit' within the village). Those villages that already had professional and managerial skills have had greater opportunities to access funding (interviews 19 & 20). Another important message that can be extracted from this debate is provided by the structural weaknesses of the contemporary countryside, which are caused by increasing ageing and policies which have been favouring the secularization of agriculture, uprooting this activity from its historical bonds to the territory. The latter are the key problems which, to a varying degree, exacerbate the polarization between the 'active' and 'passive' agents. Such polarization would occur regardless of the LEADER programme, which represents only a small fund within rural development resources.

6.6 LEADER IMPLEMENTATION: THE ROLE OF LOCAL ACTION GROUPS AND POWER RELATIONS

The investigation of the empirical data demonstrates that the role of the local action groups has been debated. While interviewees such as a staff member of the Regional Village Association (interview 24) view them as mere authorities, others claim that the local action groups are not just financing agencies; they have an important role as rural policy makers as well as regional planners; throughout the years, their role has continuously grown and projects have become bigger. For instance, a staff member of the *Joensuun Seudun LEADER* (interviewee 1) argues that:

> "LAGS operate between the local people and the authorities. Especially in LEADER II we had to balance the needs between the authorities and local people. Now the role is to be an actor at the regional level. The role is getting broader and broader all the time, not just financing projects, but also making rural policy. We have to be policy-makers, and strengthen our role. For example, we are discussing and organizing meetings about services, how to provide services in rural areas … the discussion are with researchers and also with the authorities".

Moreover, it is suggested that their role is clear, and can be distinguished, for example, from the regional councils, which are municipal organizations, and also from the regional village associations, which have a more political, cultural, and lobbying role. The risk of these flexible organizations (LAGS) is that they behave as permanent institutions, and as such may lose their intrinsic grass-roots nature that currently differentiates them from the other regional development authorities. In addition, interviewee 20 claims that "even though LEADER local action groups could give some voice to villagers and rural residents, because of the tripartite system and working closer to the bureaucracy they can practically lose the possibility of giving a voice to the local people".

Since the inception of LEADER+ (2000–2006), the municipalities' understanding of this method of development has increased; a rural entrepreneur (interview 21) claims that "in the 1990s municipalities were thinking of how many projects could be funded within their boundaries; then pretty quickly they changed their attitude since they were doing the funding … they realized pretty soon that the small amount of money they had to invest was going in the end to benefit them as well as the whole region". A staff member of the *Joensuun Seudun LEADER* (interview 1) claims that municipalities were afraid of losing control of the associations since the people involved in the Local Action Group were not exclusively politicians, but also members of civil society. However, there has been a substantial change between LEADER II and LEADER+. In LEADER II, municipalities controlled the LEADER Programme, since every project had to apply for 20% from the municipality; in LEADER+, on the basis of the tripartite structure, municipalities had to give the money to the

LAG: by that time "the municipalities realized that the more active they are, the more money they get … municipalities now are real partners". Yet, in the case of Vaara-Karjala, a staff member (interview 31) claims that "the relationship between the LAG and the municipalities still varies ... some municipalites are very active, and they encourage villages to apply for money while others do not care about village development at all".

In fact, the devising of the tripartite structure of LEADER partnerships by Finnish LEADER officials (one-third of the partnership is composed of village associations, one-third by municipalities and one-third by local citizens, see also chapter 5.3) has prevented the dominance of the "old" government structure (municipalities) in favour of the "new" local development of village associations. In the context of the current debate on restructuring municipal services, which involves mergers of small municipalities into larger urban centers, the power relations between the local action groups and municipalities are not always clear, and are in a constant process of redefinition. According to a high-ranking village officer (interview 10), "municipalities may feel that the LAGS can assume their duties, for example, advising the business and service sector."

The importance and support of the role of villages by *Joensuun Seudun LEADER* and *Vaara-Karjalan LEADER* is reflected by the active cooperation between these two LAGs and the Joensuu Union of Rural Education and Culture (*Joensuun Maaseudun Sivistysliitto* or *MSL*), a state-centred and politically sponsored (by the Center Party) association, which organizes cultural courses for village organizations and at the same time activates citizens together with *Joensuun Seudun LEADER*. Its function is to help village organizations design their village plans and advise them on how to use their budget (interview 29). A number of researchers from the Karelian Institute of the University of Eastern Finland have also been involved in the activities of these local action groups; some have worked in the organization, for example, helping to write the LEADER rural development plan or as project managers; others have indirectly provided experience drawn from their work and evaluation of rural plans or as experts in rural development.

Another important partner of *Joensuun Seudun LEADER* and *Vaara-Karjalan LEADER* is the state agency of the Centre for Economic Development, Transport and the Environment, which is the key player in the programme, serving as the funding authority in LEADER. As highlighted by a few interviewees, there may be some overlap between the LAG and this organization since a common task is to finance enterprises, and consequently these two organizations finance similar projects. The overlap, however, is not perceived as a problem because applicants have more options at their disposal and LEADER is a preliminary tool for seeking suitable ways of funding projects: LEADER has often funded preliminary briefings for entrepreneurs and the actual project has then been funded by some other actor (interview 21). In the case of *Vaara-Karjala*, another

strong partner is PIKES, (Pielinen Karelia Development Centre) which is funded by municipalities; PIKES shares with Vaara-Karjala similar goals and projects (which involve entrepreneurs) (interview 31).

According to a regional village coordinator (interview 20), the LEADER local action groups and the Centre for Economic Development, Transport, and the Environment represent the financial line of rural development and, as a result, cooperation between these organizations is intrinsically close. In contrast, the Regional Council (*Pohjois-Karjalan Maakuntaliitto*) and the North Karelia Regional Village Association (*Pohjois-Karjalan Kylät* or *PKK*) represent political aspects of rural development. The North Karelia Regional Council oversees the general development of the region, in cooperation with state authorities (Regional Development Act 602/2002 Section 7). It coordinates different EU programmes, which also include those making social policy. The North Karelia Regional Village Association in turn is another organization that deals directly with villages. The same village coordinator (interview 20) defines the North Karelia Village Association as

> "a regional association of villages. We also have our North Karelian village programme, defining how to develop services, infrastructure, and the environment. One big role is also to make it clear that we have small problems in our villages. Let's say that the North Karelia Village Association is an organ of democratic participation in village activities".

Despite the North Karelia Village Association being involved in LEADER projects, according to a rural researcher and a civil servant (interview 4 & 28) this organization is weak and too small. The latter claims that "in North Karelia there are about 200 village associations, and only one regional village association. There is, for example, no Vaara-Karjala village association." Furthermore, unlike *MSL*, it does not cooperate with the two LAGs being examined. The above-mentioned regional village coordinator (interview 20) argues that the North Karelia Village Association is an NGO of villages, whose core work focuses on the village as a basic unit of society, with a vision on local politics. He further notes that this association is quite different from the LAG, which in turn is a 'rural' NGO, whose main target is rural development, a tool of discussion on how to develop sectoral enterprises and services. If the North Karelia Village Association is viewed according to this perspective, the activity of this association is more related to the work of the North Karelia Regional Council than to the Centre for Economic Development, Transport, and Environment (interview 20). According to a staff member of the Joensuun Seudun LEADER (interview 1) "the problem with the North Karelia Village Association is caused by persons, people from the board, and that is why the organization is so weak. The papers, the project plans, the applications from *PKK* are not good and practical enough for the LEADER board. At *PKK* they think that they are making more political work, and it cannot be very practical".

The empirical data indicate that the Regional Council and the two LAGs under examination are perceived as two separate bodies. For instance, a staff member of *Vaara-Karjalan LEADER* (interview 31) claims that "there is not so much cooperation with the Regional Council. They underestimate us … if you read their strategy, LEADER is mentioned only once in that programme … while the LAG is grass-roots, the Regional Council comes from the top … the common people do not know what they are doing". The official point of view of the Regional Council of North Karelia, however, is that LAGs play an important role in rural areas, but are only one of the actors there. In addition, the civil servants interviewed at this organization (interview 27) consider the region an entirely 'rural' region.

In order to mitigate the effects of potential fragmentation at the regional level, the goal of policy designers at the Ministry of Agriculture and Forestry is to strengthen the 'rural voice' at the regional level, which would create more political influence in regard to rural policy. Their concrete plan is to merge the LAGs, the Regional Village Associations, and other rural organizations into the same entity. This is a fairly challenging task, and in all likelihood it will take some time before this reorganization can be implemented (if it can at all); other rural organizations, most of them state-centered, are reluctant to engage in this reform. Even though some interviewees fear that this reform could institutionalize both the LEADER method and the entire system of rural development, it is more than necessary to give Finnish remote rural areas both the critical mass and strategic coherence to negotiate their development with an increasingly urban-oriented central government. However, a staff member of the Joensuun Seudun LEADER (interview 1) claims that in spite of the fact that strengthening the rural voice at the regional level is important, the risk is that the voice of rural areas would concentrate in urban centers, in this case Joensuu.

On the basis of the strong background of village work and village associations, the collected data indicate that the link between LEADER and agriculture is practically not existent; according to an informal interview conducted with one of the staff members of the Joensuun Seudun LEADER, during the LEADER II Programme a discussion was held between the Centre for Economic Development, Transport, and Environment and the LEADER staff members in the region of North Karelia noting that farmers in need of financial assistance can apply for financing to the entrepreneurship department of the Centre; this discussion was put into practice during the LEADER+ Programme, and it has been formalized during the current LEADER period 2007–2013. Thus, in the *Joensuun Seudun LEADER* and *Vaara-Karjalan LEADER* farmers cannot apply to the LEADER LAG (at least if the project application is related to farming). However, as a staff member of *Vaara-Karjala* (interview 31) remarks, there is no guarantee that a farmer who cannot apply to LEADER has the possibility to apply to the Centre. This, in fact, is the case of small farmers who would be unable to receive funding from either of the two sources.

Furthermore, in the LEADER+ period (2000–2006) there were no board members in the Joensuun LEADER Local Action Group officially representing the *MTK* lobby organization; however, three board members representing the public sector in the LAG were at the same time *MTK* representatives. Among the 238 projects of LEADER+ about five of them were related in one way or another to the agricultural sector. These data correspond to the broader national context: a report from the Ministry of Agriculture and Forestry (2011) states that the majority of the support given through local action groups was given to non-farming small entrepreneurs. The interview data suggest a problematic relationship between the agricultural sector and LEADER and, in the broader perspective, between agriculture and rural development. According to a staff member of the Joensuun Seudun LEADER (interview 1),

> "in the past, the farmers' association *MTK* thought that the money given to LEADER should be given directly to farmers ... they used to think that developing rural areas means developing farming. But nowadays, we are working together more and more, side by side; we understand that agriculture is important and they understand that LEADER and rural development is more than just agriculture, and because agriculture has become less important, they will have to broaden their view in the future. This has happened in Denmark. Just as in Finland, the farmers' organizations were strongly against LEADER and rural development, but now in Denmark the farmers' organization has realized that there are fewer farm houses, and the number of farmers is dropping, so they have to get new members and for this reason they go to the LEADER groups, and that's why the LEADER groups in Denmark receive more money than here. In Finland, the LEADER groups get about 5%, which is the minimum established by the EU commission, while 85% goes directly to the farmers (environmental support), and 10% is given to enterprises. In contrast, in Denmark for the new period (2007–2013), the LEADER groups receive 30%".

One of the staff members of the local *MTK* (interview 11) states that this organization does not really have any cooperation with the different local action groups. However, they have taken part in shaping the development strategy for the region of North Karelia, which also focuses on LEADER actions. Among the eleven interviewees who have responded to the issue concerning the relation between LEADER and agriculture, five of them state clearly that this EU programme and agriculture are either two different issues, or in a 'milder' way, they claim that the position between the two is distant. On the basis of this overarching theme, the most important reason for this 'segregation' is the fact that LEADER does not fit the so-called basic agriculture; rather, it would work much better with traditional agriculture or in other words old-fashioned agriculture (smaller farms). Therefore, the real problem is not the relation between agriculture and LEADER, but the already-discussed direction of North Karelia and, to a broader degree, Finnish agriculture towards concentration and specialization. Since agriculture is mostly regarded as an economic activity, this inevitably causes tension between farmers and rural developers. In fact, if some

farmers recognize the positive effects of LEADER, considering it a "good inspirer", or a "good complementing activity to agriculture", others claim, for instance, that "LEADER is not going to secure basic agriculture" (interview 13), or that "if we want to maintain basic agriculture, its money should not be taken away from any other activities; now the money for rural development projects is taken away from agricultural money" (interview 15). Another relevant statement is by a *MTK* representative from Valtimo (interview 16), who claims that "farmers feel that there is no point of building, for example, village houses if farmers are not capable of coping with their own work. But then again, if agriculture is on a secure basis, LEADER projects also make farmers' lives better and their living environment more comfortable. Other important considerations are that LEADER does not fit the context of the EU intensive agriculture subsidy system very well". Looking instead at the rural developers' point of view, the following statement "agricultural policy gets lots of money" (interview 18) represents the most common opinion among the project class. Moreover, it is clear that always keeping in mind that agriculture is considered an economic activity, rural developers tend to differentiate themselves from farmers; for instance, interviewee 9 claims that "in public and in the newspapers they think that the LEADER system is the same as giving support money to agriculture, they see no differences. Especially in big cities, when referring to the LAGs, they believe that it is just tax money that is given to agriculture".

In the same vein as the above interviewee, there is a widespread argument among rural developers that farmers already receive enough funding, and due to the structural changes that have occurred in Finnish agriculture it is more important to emphasize the diversification of the rural economy. On the other hand, the interviewed representatives of *MTK* support the idea that it is crucial to guarantee the continuity of agriculture in the countryside, since this development tool is a significant means of delaying population loss in rural areas.

As Figure 22 indicates, the policy-setting surrounding *Joensuun Seudun LEADER* and *Vaara-Karjala* is rather complex, with power relations constantly being redefined. At the upper level of the figure the public sector is identified, which includes the financial inputs to the local action groups, namely the municipalities, the Centre for Economic Development, Transport and Environment, and in the case of *Vaara-Karjala*, the rural development institution *PIKES*. On the left, it is also the research institution of the Karelian Institute, which every now and then is involved either directly or indirectly in the work of the LAGs. On the right side, the Central Union of Agricultural Producers and Pro Agria (another farming organization) follow their own policy lines, as is also to a broad extent the case of the regional council, which is a weak strategic actor at the regional level. In respect to *Joensuun Seudun LEADER*, another organization which does not have any links to this LAG is *Josek*, which is a regional development organization for the Joensuu sub-region. Their scope of

action being quite different (LAG is meant for rural areas; Josek for the urban area of Joensuu), a staff member of the *Joensuun Seudun LEADER* (interview 1) has remarked that "when people sometimes go to *Josek* for advice, the people in that office do not know enough about LEADER and give wrong directions". At the bottom of the figure is the village branch of policy-setting. Although cooperation between these two organizations (Union of Rural Education and Culture and the Regional Village Association) and the LAGs may vary according to personal relations between these actors, village work represents the backbone of *Joensuun Seudun LEADER* and *Vaara-Karjalan LEADER*.

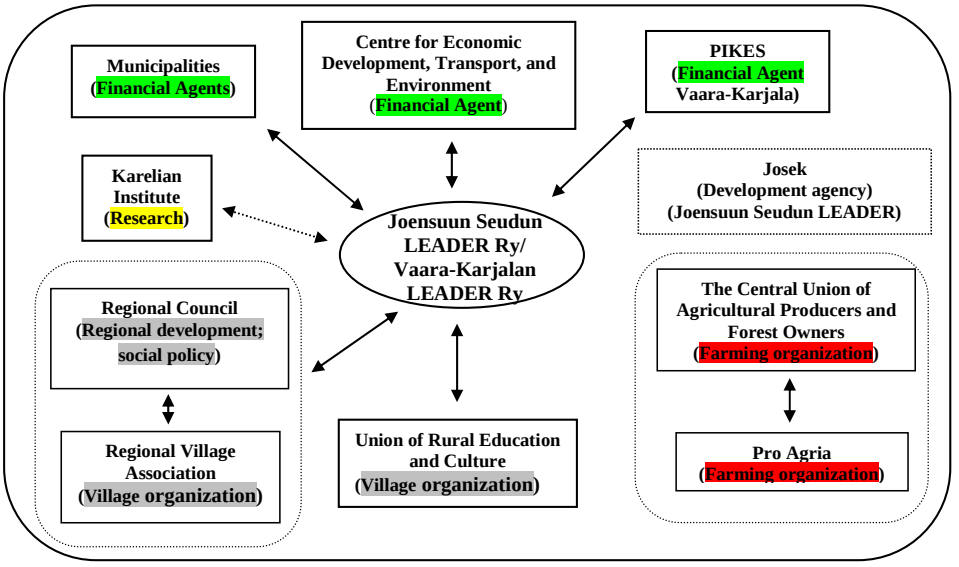


Figure 22: Joensuun Seudun LEADER and Vaara-Karjalan LEADER main policy setting

7 South Tyrol Case Study

7.1 REGION IN CONTEXT

South Tyrol is a predominantly German-speaking [32] autonomous province located in northeastern Italy (Autonomous Province of Bolzano/Bozen, Alto Adige/Südtirol). Its total surface is 7 400.43 km², of which 6 854.35 km² (92.62%) has been classified as a disadvantaged area according to EU Directive 75/268 (Provincia Autonoma di Bolzano 2005). It borders on Austria, Switzerland, and the Italian provinces of Trento, Belluno, and Sondrio (Figure 23). The province has a population of 503 400 inhabitants (31.12.2009, Lechner et al. 2010).

Figure 23: Location of South Tyrol

On the basis of the last census (2001) (the census 2011 is currently in progress), the German-speaking group represents 69.15% of the total population, Italians

[32] After five centuries of occupation by the Roman Empire, starting from the eigth century, South Tyrol experienced a Germanization of its territory, which lasted until the beginning of the 1900s (De Biasi 2008). Even though it cannot be denied that since the end of the occupation by the Roman Empire to the early 1900s (except for a brief period in the eighteenth century) the region was mostly German-speaking, South Tyrol did not entirely belong to the German cultural sphere. For instance, South Tyrolese artisans and merchants dealt daily with Italian merchants and in the sixteenth century the Italians established in South Tyrol the Magistrato Mercantile, an organization with legal and administrative powers that dealt with all controversies in trade matters. The Italian language was widely spoken in the valleys of this region (Alcock 1970).

24.5%, Ladins 4%, and immigrants amount at 7.4% (Istituto Provinciale … 2008). Figure 24 shows the percentage of the German, Italian and Ladin groups, as well as immigrants in the province from 1880 to 2001.

According to OECD (2009) regional typology and rural classification, South Tyrol is an "intermediate region", since the share of the population living in its rural communities is between 15% and 50%. The Italian context is strongly urbanized, with only 27% of the national territory seen as predominantly rural (PR); this characteristic makes Italy similar to France and Germany, but very different from the Nordic countries (OECD 2009). Although South Tyrol is not a predominantly rural region like North Karelia (where sparsity, periphery and cold climate are the specificities that affect economic development), in this region economic development is affected by the mountainous[33], alpine setting of its territory: at least 40% of South Tyrol's surface is located at an altitude higher than 2000 meters (Provincia Autonoma di Bolzano 2009b). As a consequence, only a small portion of the province can be inhabited and exploited economically (Lechner et al. 2010).

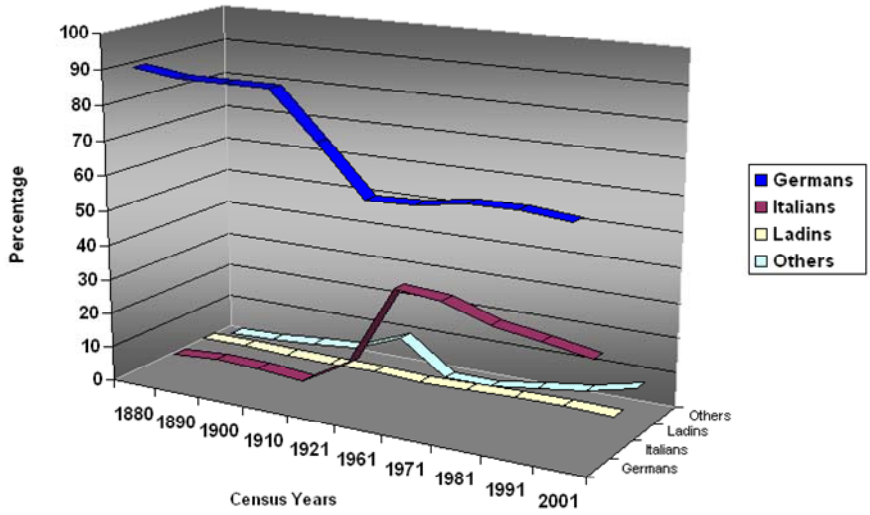


Figure 24: Percentage of German, Italian, Ladin, and immigrants, 1880–2001
Source: Istituto Provinciale di Statistica (2008)

[33] Borghi (2006, 21) claims that the Italian mountain is not a heterogenous entity; rather, Italian mountains exist and, within them, there are categories that, from a social and economic/productive point of view, are very different from each other. Such categories are linked to the geomorphic, historical, and economic characteristics of the territory. Another important consideration to be made about the spatial concept of mountain is that by Salvato (2006, 247), who states that mountain areas are delimited by natural barriers, which define in a clear way the borders of a territory; such natural barriers in turn define identities, which have the tendency to look inwards. As is the case of South Tyrol, "the physical environment can be conceived as a bond, as a limit that physically encompasses the territory, makes survival difficult, sculptures the identity, and defines the sense of belonging. The alternative has always been either to adapt to these strong bonds or emigrate".

Within the Alpine Italian context, as the empirical data show in the following sections, South Tyrol has a unique position, and mountain is strictly related to agriculture. According to a study conducted by the Provincia Autonoma di Bolzano/Bozen (2009b), the most important factor to consider when investigating mountain agriculture is the so-called "mountainous area". Numerous explanations exist on the concept of mountainous area, which differ according to the region in which it is employed. The European Union defines a mountainous area on the basis of natural parameters of disadvantage. The most recent definition, contained in EU regulation 1698/2005 (Council Regulation 2005), takes into account two factors: 1) the difficult climatic conditions generated by high altitude, which determine a shorter growing season; and 2) steep slopes that make it difficult to engage in agriculture; due to the latter reason, the use of rather expensive machines and tools is required. According to the criteria of altitude and steepness, about 6864 km^2 or 94% of the total surface area in South Tyrol is considered mountainous. The remaining 6% is comprised of areas located at the bottoms of valleys.

In light of the differentiation based on such parameters of disadvantage, there are two socio-economic and agricultural systems quite different from each other: on the one hand, the valley bottoms (zone di fondovalle) and the foothills (zone pedemontane), which represent a limited part of the territorial surface, and, on the other hand, large areas located above an altitude of 900 meters. In regard to the former, due to the favourable geographical position these areas are characterized by a high population density and concentration of economic activity; they are also well-suited to agriculture, particularly small farms engaged in fruit and wine growing, which are quite profitable cultivations. These favourable areas extend mostly from Salorno along all the Adige Valley until Tel, and centered around five municipalities (Bolzano, Merano, Laives, Lana, and Brunico), with population densities of over 250 per km^2. As for the large areas located above 900 meters, these are characterized by a progressive reduction of population density (six to nine per km^2), decreasing economic activity, more extensive agricultural production, large diffusion of forest, and at high latitudes, pastures (Provincia Autonoma di Bolzano/Bozen 2005, 2009b; European Parliament, Directorate-General for Internal Policies of the Union 2007).

Administratively speaking, the entire territory of the province is divided in district communities (*Comunità Comprensoriali/Bezirksgemeinschaften*) (Figure 25), which have been chosen according to geographical and cultural homogeneity. The eight *Comunità Comprensoriali* – established by Provincial Law 20.03.1991 n^o 7 – consist of the representatives of the municipalities which they comprise, and their task is to coordinate within their area of competence intermunicipal activities. These administrative units take care of activities in the social environmental protection sectors.

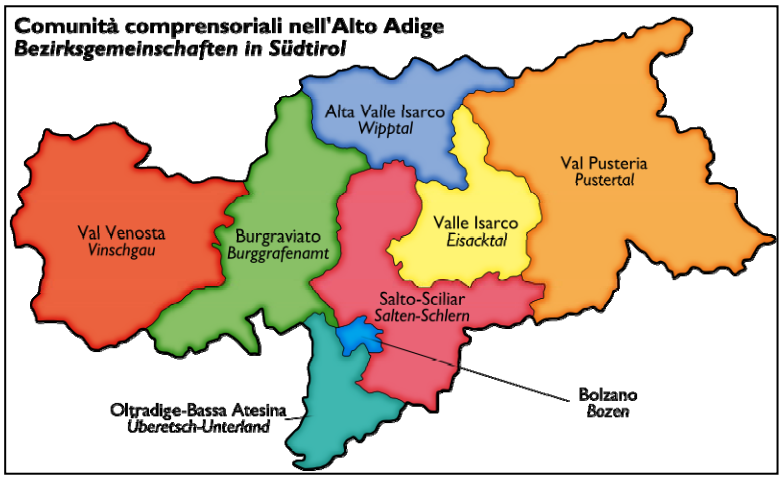


Figure 25: South Tyrol's district communities
Source: Wikipedia (2011)

The province is also divided in 116 *Comuni* or *Gemeinde* (municipalities). The Autonomous Province of Alto Adige/Südtirol and the Italian-speaking Autonomous Province of Trentino constitute Trentino-Alto Adige/Südtirol, an Autonomous Region with special status within the Italian constitutional structure[34] (European Parliament, Directorate-General for Internal Policies of the Union 2007). Even though the official regional capital is Trento (Trentino), the two provincial capitals alternate every two years as the seat of the regional parliament. However, almost all regional powers have been given to the provinces; as a result, their position is de facto comparable to that of the other four Italian Autonomous Regions (Sicily, Sardinia, Friuli-Venezia Giulia, Valle d'Aosta) (European Parliament, Directorate-General for Internal Policies of the Union 2007). Provincial public expenditure per capita (in addition to state and regional expenditure) is higher in absolute terms in comparison to regions with only an ordinary statute, thus offering its citizens the possibility of benefiting from a more generous public intervention according to both a qualitative and a quantitative point of view (Fraenkel & Haeberle 2007). The province has legislative power, as well as numerous competencies in the social, cultural, and economic fields, including agriculture and forestry (Paolazzi 2008). The main features of the autonomy include language parity and required bilinguism for civil service positions; even though it is the responsibility of the state to introduce, administer and collect all taxes in South Tyrol, the province retains around 90% of the tax revenue collected (Magliana 2000).

[34] Since October 2001 the Italian Constitution (Article 116) has officially recognized the province's dual toponymy: Alto Adige/ Südtirol (European Parliament, Directorate-General for Internal Policies of the Union 2007).

South Tyrol is one of the richest provinces in Italy, and its GDP per capita is above the EU 27 average (137%) (Eurostat 2011). The development of the economy has been successful for a variety of reasons, including the uniqueness of the mountainous landscape, the geographical location at the border between Austria and Italy, and bilingualism (Lechner et al. 2010). According to Astat (2007, 3), the economic structure of South Tyrol is characterized by a balanced relationship among the various economic sectors; excluding agriculture, active firms (the ones which have undertaken productive activity for at least six months throughout the year) number 42 379 and employ a total of 179 702 individuals. In respect to the different sectors, the tertiary sector (commerce, hotels, and other services) is the largest both in terms of the number of firms (more than 32 000, 77.5% of the total), and in terms of the number of people being employed (about 122 000, 67.6% of the total). Industry, however (which also includes construction work), represents 22.5% of the total number of firms and employs 32.4% of the work force. Figure 26 shows the percentage of the work force per economic sector in 2007. Similarly to North Karelia (although less sharply), the employment structure of South Tyrol in the second half of the twentieth century experienced a shift from the primary to the tertiary sector (Figure 27).

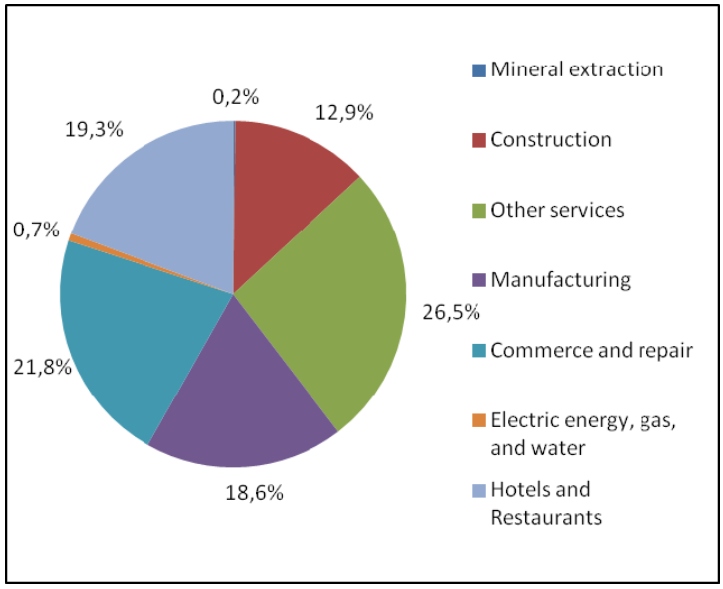


Figure 26: Percentage of work force per economic sector in South Tyrol, 2007
Source: ASTAT (2007)

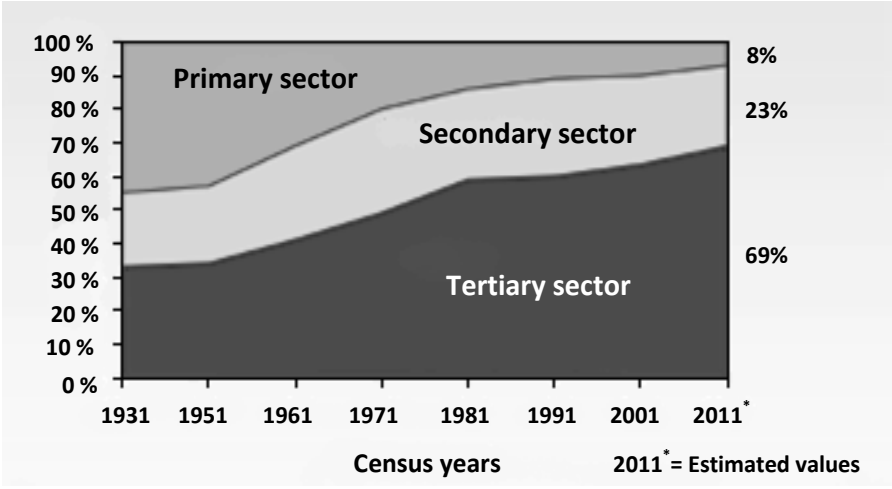


Figure 27: Employment structure in South Tyrol, 1931–2011
Source: Modified version from Lechner et al. (2010)

In comparison to the national productive structure, that of South Tyrol is less oriented to industry and more concentrated on firms involved in commerce and hotels (41.5% of firms and 41.2% of employees; in Italy 33.9% of firms and 26.6% of employees). In terms of work force, South Tyrol is first in comparison to the other Italian regions involved in the commerce and hotel sector. Similarly to the Italian system, the provincial productive system is characterized mostly by small enterprises: in 2007 enterprises with fewer than ten employees numbered more than 39 000 and represented 93% of the total. In Italy micro-enterprises comprise 94.8% and 46.4% of the total work force. In South Tyrol only 26 entreprises (0.06%) have more than 250 employees, and they represent 11.3% of the total employment (Astat 2007).

7.2 REGION-BUILDING PROCESS

Beyond the mountainous character, which can be defined as an important social structure, the development of the South Tyrolese economy has also been influenced by the historical and political events occurring in the region (Lechner et al. 2010), in particular the ethnic issue, which has been the most important category of social chance in this study. The mountainous character and the ethnic issue are the keys to understanding how agriculture and rural development have co-evolved in the region: "As the Tyrolese see it, they inhabit a German cultural space located in an Italian political state. This brings with it an Italian cultural influence, which is the antithesis of Germanic culture and threatens their very being" (Cole 2001, 109–110). Unlike North Karelia, South

Tyrol has a long tradition of regional autonomy; this social structure has also had important implications both on the interplay between agriculture and rural development and on the way LEADER has been implemented in the region. South Tyrol was previously a component of the Austro-Hungarian Empire, as part of a greater Tyrol region constituted by what are today North and East Tyrol (Austria) and Trentino (Italy). It became part of Italy in 1919 when the Austro-Hungarian Empire was dissolved after World War I. South Tyrol has since been under foreign rule, and its population became an ethnic minority within the Italian state with a clearly delineated homeland (Markusse 1997, 79).

The roots of South Tyrolese regional autonomy date back as far as 1248, which marks the first temporary constitution of the Tyrol County by Albert III (De Biasi, 2008). Farmers have since historically represented a relatively strong social class (or human agents), holders of rights and not just subjected to the supremacy of the aristocracy. The *Erbleihe*[35] had a crucial importance in the birth of a free farmer class, deeply linked to the territory. Farmers were involved in the local assemblies, where possible attacks by enemies, financial matters, and also the rights and duties of the farmers themselves were discussed with the aristocrats and church authorities (later artisans as well). This early practice of self-government gave farmers both a strong consciousness of their own class, and a strong link to the territory, which was perceived as their 'own' and not only the property of the earl. Similarly to what happened in the Swiss cantons, in Tyrol an autonomous farmer culture had the possibility of developing and growing due the structural weakness of the feudal system. The overall poverty of the territory, its mountainous nature, the harshness of the climate made the constitution of feudal properties and a wealthy feudal class very difficult – if not impossible (De Biasi 2008). Cole & Wolf (1993) in Fait & Fattor (2010) claim that the South Tyrolese community is the product of a rural society built around the centrality of the *Bauer* (farmer). In Scandinavia, this is very similar to the case of Norway, where the historian Ernst Sars "established the mentality and way of life of the freeholding farmer as the real Norwegian identity …" (Cruickshank 2009, 180).

In South Tyrol, the centrality of the *Bauer* has historically implied a rigidly hierarchical and vertical family model, which is reflected in turn in a strongly-hierarchical, and polarized, conception of power, in which the patriarchal model characterized by a top-down perspective inhibits bottom-up mechanisms, in other words, an impermeable and static conception of power. All these elements can be easily identified in the contemporary *Südtiroler Volkspartei*, *Südtiroler Freiheit*, and *Union für Südtirol* parties; these political parties are marked by very

[35] The *Erbleihe* was an agrarian contract characterized by two conditions: the inheritability of cultivation rights and the invariability of rent. This type of contract was established originally for those mountain farms (*svaighe*) located at a relatively high altitude (1200 meters and above); later, it was extended by the founder of the county, Mainard II, to the farms located at lower elevations (De Biasi 2008).

strong and durable leadership, and especially in the case of the *Südtiroler Volkspartei* (which is the biggest German-speaking ethnic party), there is a serious problem concerning a generational change within the party (Fait & Fattor 2010). However, the centrality of the *Bauer* would not exist without a link to another deeper and holistic centrality: that of belonging to the land, or better, to land property and its indivisibility. Cole & Wolf (1993, 16 in Fait & Fattor 2010) claim that "in the German-speaking Tyrolese towns, the ideal is represented by one person who owns his/her property". Authority, territory, *Bauer* and farm are different ways of dealing precisely with the same issue. This is quite different from nearby Trentino, where, as Cole & Wolf (1993, 82 in Fait & Fattor 2010) go on to say, "the farmer is more inclined to abandon completely the land as soon as he is able to maintain himself with a profession". According to Fait & Fattor (2010, 91), the centrality of the *Bauer* is reflected within the rethoric of the *Heimat* (homeland), whereas the most authentic South Tyrol is the rural one, and the most genuine South Tyrolese are the wealthy and robust mountain farmers. Such centrality can also be identified in the literature of the Austro-Hungarian Empire (and also post-Empire Austrian literature), whereas the 'Tyrolean myth' (defined as the "*Herz und Schild Österreichs*", heart and schield of Austria) was characterized by such ideals as the uniqueness of the family, patriotism, the closeness between the king and his subjects, and the distaste for liberal-bourgeois individualism.[36] Such ideals represented a reaction to the French Revolution, which crushed the domination of the nobility, and thus the prerequisites of the Austro-Hungarian Empire itself (Magris 2009).

7.3 RURAL DEVELOPMENT OVERVIEW

> "Good houses, family solidarity, profound religious sentiment, limited emigration, and considerable wealth in the form of livestock and forest property are the circumstances to which the investigators attribute the fact that there has been almost no absolute decline in the population of this province" (Toniolo, 1937, 476).

In South Tyrol, rural development has been intertwined with the history and evolution of the ethnic groups present in this territory. Until the 1970s, both industrial and rural development were neglected in the province. At that time, farms located on high elevations did not have any infrastructure links with the valley bottoms: neither roads nor electricity or telephones.[37]

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[36] Magris (2009), in his analysis of the "Habsburg myth" quotes, for instance, F. von Hormayr zu Hortenburg (1817) and his work *Geschichte Andreas Hofer's Landwirths aus Passeyr, Oberanführers der Tyroler im Kriege vom 1809*, which is one example celebrating the theme of the patriotic Austrian/Tyrolese rhetoric, whose folkloristic characteristics include the Tyrolese green woods, and the leather stockings of mountain farmers.

[37] In 1973, the journalist Aldo Gorfer, along with the photographer Flavio Faganello, in their book *Gli eredi della solitudine: viaggio nei masi di montagna del Tirolo del sud* (reprinted in 2003) investigated the

South Tyrol experienced profound structural changes starting in the 1970s, when the new Autonomous Statute of 1972 was introduced.[38] The province has since invested heavily in its remote rural areas, "even at the cost of sacrificing other sectors of the economy, with the goal of maintaining a mountainous region characterized by agriculture and sparse settlement" (Bocchetti et al. 2009, 23). A key figure has been Alfons Benedikter, who was on the political scene of this province until the late 1990s. From 1960 until 1980 he was Provincial Councilor for Economic and Urban Planning, as well as for construction work. Throughout these two decades, he emphasized the development of the countryside, at the expense of the city of Bolzano. According to the historian Giorgio Delle Donne (Alto Adige 25.01.2010c), "the Fascist goal[39] to make Bolzano a city of 100,000 inhabitants was reached in 1964. There has since been no growth in the city. Benedikter declared war on Bolzano, he blocked its development: as Fascism italianized South Tyrol, in the following years a contrary process took place" and political attention was given to the countryside. Living conditions in farms were improved by building kilometers of roads, as well as electric and phone wires, and water pipes. Bocchetti et al. (2009), who forty years later, in their recent work *Sudtirolo: il cammino degli eredi* investigated those farms visited in the 1970s by Gorfer (1973), reported through empirical data comprised of photographs and interviews the evident progress that had occurred in these farms. As the Provincia Autonoma di Bolzano (2009a, 122) indicates, today only 58 farmsteads (in Italian *maso*) in the province are not connected by road infrastructure and can be reached only on foot; of those 58 farmsteads, 31 are inhabited all year around, 15 periodically, and 12 are not at

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almost 'medieval' conditions of the most isolated farms in South Tyrol. According to Bocchetti et al. (2009), this book represents a milestone for those who want to understand the history and culture of the South Tyrolese people, including ethnographers, politicians, sociologists, architects, and other scholars.

[38] In 1972, after years of negotiations, South Tyrol and Austria, on the one hand, and the Italian Government, on the other, were able to approve a Second Autonomy Statute known as '*Das Packet*' or '*Il Pacchetto*', which improved significantly the living conditions of the South Tyrolese. The comprehensive and legal implementation of Il Pacchetto occurred only in 1992, when Austria officially declared that Italy had finally implemented the Paris Agreement. This Statute consisted of a series of Italian concessions to expand South Tyrolese autonomy, and gave birth to the Autonomous Province of Bolzano-Südtirol (Markusse 1997, 81).

[39] During the Fascist period, which saw an attempt to Italianize any aspect of South Tyrolese daily life, from institutions and schools to names of single individuals, South Tyrolese socio-economic life reached its lowest point in history (Lechner et al. 2010). When Mussolini became Prime Minister of Italy, he decided to implement a vigorous policy of Italianization (Schmidtke 1998, 26). The most fundamental aspect of the Italianization Programme was the implementation of an industrial area (known as the 'Zone', and characterized by metallurgic industry) in the capital of the province, Bolzano/Bozen, in order to encourage Italians to settle in the area. From this moment on, one can argue that South Tyrol became an increasingly multi-ethnic territory. With the establishment of the 'Zone', the Italian population grew from 36,734 in 1921 (16.1%), to 78,201 (25.8%) in 1939 (Alcock 1970). The concentration of Italians in Bolzano and in other nearby urban centers such as Merano, has since had key implications in rural development dynamics.

all. As for the alpine shepherd's huts (in Italian *malga*), the last update in 2007 (Provincia Autonoma di Bolzano 2007a, 122) reports that 78% of them are connected by road.

A university professor (interview 22) claims that, on the one hand, farmers have been able to remain in their huts and develop rural tourism; on the other hand, the same farmers can quite easily reach their jobs, which still represent their main source of income. The same professor remarks that road infrastructure has been the key to the development of rural tourism. This is a very different situation from many other touristic centers located in the Alps, which were started by external investors and, as a result, did not have the necessary roots to create the multiplier effect for the whole territory. In the 1960s German tourists, supported by the economic growth in their own country brought money to the province, while since the beginning of the 1970s economic growth in Italy has also brought Italian tourists to South Tyrol, giving a significant boost to the tourism sector.

Besides improving road infrastructure, a wide-ranging urban policy was responsible for the establishment in the valleys of numerous handicrafts and industrial centres. The strong tourism development was also favoured by the opening of the Brennero/Brenner highway, which crosses the Region of Trentino Alto/Adige-South Tyrol linking Italy with Austria (Pichler & Walter 2007). Finally, the intervention of the public sector through massive provincial financing has enabled farmers to earn supplementary income; this strong public intervention has contributed to the rediscovery and enhancement of authentic farming products that fascinate tourists. This supplementary income has not been created in Bolzano or Bressanone [South Tyrolean urban centers], but has been brought to the medium and small centers that characterize South Tyrolese valleys (interview 28).

Even though the number of inhabitants and the economic well-being stabilized in the 1980s and the 1990s (Lechner et al. 2010), there have still been areas with delayed development, which have been the focus of the LEADER Programme (see section 7.5). South Tyrol has had a relatively advantageous population balance for decades, although out-migration to Switzerland and Germany took place to a varying degree from the 1950s to the 1980s (interview 22). The emigration peak occurred in the 1960s, when each year approximately a thousand German-speaking South Tyrolese moved mainly to the above-mentioned countries (Pichler & Walter 2007). According to a university professor (interview 22), the fact that the total amount of population in the province has constantly been growing is very important because rural development could rely on a fairly young population: "if we arrive at the point where the population is too old, such as in the Piedmontese and French Alps or in the Appenines, in my opinion there is no instrument that can start up an effective rural development strategy". He continues by saying that "there is basically no measure at the political level that can trigger a significant

repopulation of abandoned peripheral areas". In agreement is the representative of the hotels in the *Local Action Group Valsugana*, located in nearby Trentino (interview 21), who claims that the situation is very different in this latter province, where since the 1970s people have left the valleys to work either in the industrial establishments or in the provincial administration of the main urban center, Trento. Consequently, the people who remain in the valleys of Trentino are not the young, but mainly the aging population.

Even though in the Italian context South Tyrol is still unique in its ability to retain an equal distribution of population within its territory, this province is also moving towards a concentration of population in the main urban centers. The number of people living in mountain farms has decreased, both because of migration and fewer births. Throughout the thirty years between the censuses of 1971 and 2001, the number of residents in towns has increased by 66,000 units in the province of Bolzano, but the number of the people living outside the urban centers has decreased by about one-fifth, dropping from 27.1% to 20.2%. For instance, in the 20 farms visited by Gorfer and Faganello thirty-five years ago, there were 144 people, while nowadays the same farms visited by Bocchetti and Zotta have only 65. One of the farms does not exist anymore, two have been abandoned and one is inhabited only in the summer season. It is a paradox that three of the four farms which are not inhabited permanently today, were those in better condition in terms of road and electricity connections 35 years ago. This suggests that the presence of infrastructure, although important, is not enough to guarantee the survival and development of mountain farms (Bocchetti et al. 2009).

However, even in today, there is a political will (at least at the level of discourses) to face the problem of the most remote towns which are at risk of depopulation. According to the president of the province (Alto Adige 19.11.2010a), support for small towns at risk of depopulation – through their involvement in the project Agenda 21 of the European Social Fund – is one of the issues which the provincial council will deal with in the coming years; at the same time, it is also the duty of municipalities to propose ideas and projects. Crucial will be the collaboration with organizations such as Business Location Alto Adige/South Tyrol (or simply BLS), whose task is not only to promote a development structure in the main urban centers but also to fundamentally keep the remote areas alive by promoting economic activities in the less populated towns to guarantee occupational goals, from tourism to handicraft and commerce (Alto Adige 19.11.2010a). In light of this effort, it is quite important to remember that within the territories of the Alpine Convention[40] (Figure 28), South Tyrol still has a relatively young population and is more similar to the

[40] The territory of the Alpine Convention covers eight Alpine states and spans parts of France, Italy, Switzerland, Germany, Austria, and Slovenia, as well as the entire national territories of Liechtenstein, and Monaco (for more information about this convention, see Alpine Convention 2010).

regions of Liechtenstein and Voralberg, which are the regions with a younger average population than the other alpine regions.[41] In contrast, of the six regions with the highest old age index, five are located in the Italian territory, especially Liguria (Alpine Convention 2010).

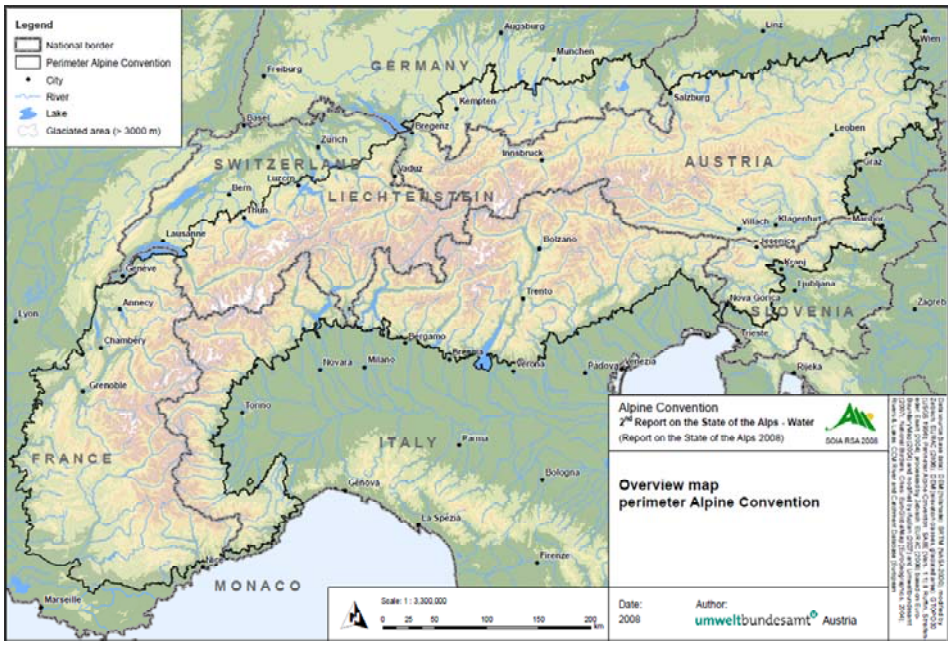

Figure 28: Perimeter of the Alpine Convention, 2008
Source: Alpine Convention (2008)

On the basis of the evolution of the rural and urban development that has occurred in the province thus far, the LEADER coordinator (interview 31) emphasizes that there is a clear distinction between the city (Bolzano), and the rural territory.[42] While Bolzano can be considered an Italian enclave, where the Italian-speaking ethnic group dominates, and is run autonomously by its political representatives, the rest of the territory is German-speaking; as a result the ethnic party Volkspartei chiefly gathers its support in the rural territory; political attention goes to the rural areas, because politically this is crucial. Another important aspect, he further notes, is that provincial councillors

[41] Already in 1937, Toniolo (473) remarked that "only in the Eastern Alps is depopulation progressing slowly and with relatively slight intensity in scattered localities".
[42] To indicate how the ethnic issue is one of the most relevant factors in the development of this province, the local statistics office classifies the city of Bolzano, the largest urban center, as a place where Italians are the largest ethnic group, and the rural municipalities (*comuni rurali*), as those places where the German-speaking and the Ladin-speaking groups are at least 90% of the population (see Istituto Provinciale di Statistica 1998, 57).

themselves come from the countryside, so they know in detail the structural characteristics of their native land. The president of the province comes from the countryside, and he travels constantly in rural areas. According to an article in the Italian newspaper Alto Adige (7.10.2010b), not only is there a clear distinction between the city of Bolzano and the rural territory, but also a competition and struggle for power between the two. It is often the case that the rural territory wins the competition. For instance, in the recent reorganization of the health care sector, Valle Isarco and Pusteria have been able to maintain their hospitals, and Bassa Tesina, thanks to the support of the local Bauernbund (farming association) has until now opposed the lengthening of the runway of Bolzano's airport. The competition between the urban center and the rural territory is not only given by the ethnic distinction between Italian-speaking and German-speaking, but also exists inside the German-speaking *Südtiroler Volkspartei*; some of its politicians favour the development of Bolzano, while others the development of the countryside.

7.4 THE ROLE OF AGRICULTURE AND FARM STRUCTURES

The Provincia Autonoma di Bolzano (2006, 35) states that in South Tyrol "the importance of agriculture is rooted in cultural factors, in particular those traditions and local culture that represent a responsibility transmitted from generation to generation". This dimension is given by the peculiar relation that links people to their land: most South Tyrolese continue to live in rural areas, contributing to the protection of the territory. Preservation and protection of the territory are the indirect result of agricultural activity, which, beyond the production dimension, helps to create an added value for the territory, for the social equilibrium, and for the identity of the entire socio-economic system.

The agricultural sector has a capillary presence in the territory through the *Südtiroler Bauernbund*, along with its decentralized offices. According to official data provided by Falkensteiner (2011), who works for this organization, in 2010 the number of members of the *Südtiroler Bauernbund* was 21 138, and in the last ten years, membership enrollment has remained remarkably stable, as shown by Table 8. Even young farmers are quite active in this organization, with 9 236 members (2010 data); as shown in Figure 29, there has been a decline from the early 1990s, when number of young farmers reached a peak of 12 460 in 1994. According to Provincia Autonoma di Bolzano (2006, 37), the explanation for this phenomenon is the declining interest of the young generations to active participate in farming activities, and by their unwillingness to take responsibility.

Table 8: Members of Südtiroler Bauernbund, 1999–2010
Data provided by Falkensteiner (Südtiroler Bauernbund)

Year	Members
1999	21 201
2000	21 078
2001	20 988
2002	21 180
2003	21 388
2004	21 389
2005	21 245
2006	21 206
2007	21 081
2008	21 022
2009	21 100
2010	21 138

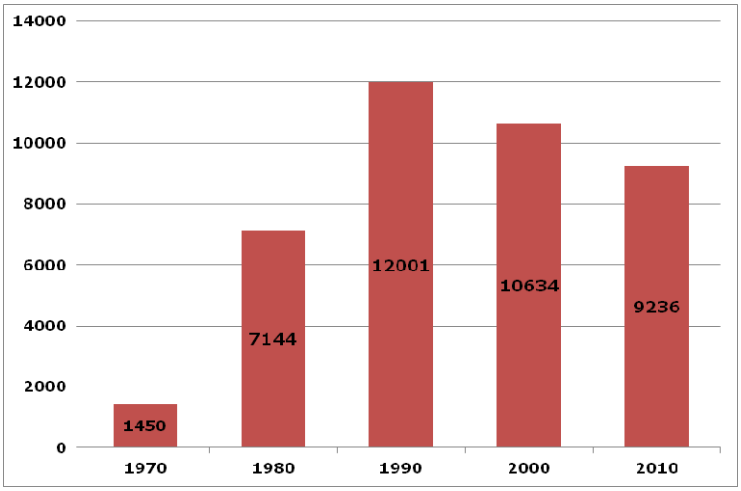

Figure 29: Number of young farmers in the Südtiroler Bauernbund, 1970–2010
Source: Data provided by Dr. Falkensteiner (Südtiroler Bauernbund)

The successful abiliity to safeguard the territory is supported by the public administration; agriculture is the economic sector that receives most provincial subsidies (Alto Adige 9.7.2011). Furthermore, at the highest political level there is an emphasis on mountain agriculture. In the provincial elections in 2008, the President of the Province, Luis Durnwalder (in his introductory speech before

the Provincial Council on December 16th 2008), in discussing the economic system of South Tyrol, remarked that:

> "last but not least, it is important to adequately consider the particular role and numerous functions that mountain agriculture covers in our valleys, especially taking into account the fact that the context where our farms are situated changes constantly at the European level. It is in the public interest to facilitate the adaptation of farms to these changes, especially in the light of the strong impact of the abolition of milk quotas, and in the light of the new market regulations" (Provincia Autonoma di Bolzano 2008).

From such statement by the highest-ranking South Tyrolese political figure, it emerges, first, that the multi-dimensionality of mountain agriculture is "a public interest", an interest of the society as a whole, and, second, that such public interest has to be preserved in the light of broader international changes, which include policies (milk quotas), and markets. Bocchetti et al. (2009) have similarly defined the contemporary South Tyrolese farm as a "multidimensional economic reality". Such a concept is well-elaborated by a representative of the tourism association of *Alta Valle Isarco/Wipptal* (interview 9) as follows:

> "Agriculture is a territorial economy, which is not only to raise cattle, to produce milk, but for me agriculture is also agri-tourism. To send milk to the local dairy is an important sector of the agricultural economy, but at the same time it is important to be a small tourist entrepreneur, to rent apartments, for instance. A policy of accessibility to agricultural structures, the closed farm guarantees continuity … the farmer believes in the future, in the new technologies, in hospitality, they have to work for innovation. Farmers look to us as tourism operators, and we give them the opportunity to participate in our tourism projects … the incentive for agri-tourism, urban possibilities for farmers … the farmers are tied for 7 or 10 years to provide hospitality ... We have organized courses to teach farmers how to write letters and send emails in the Italian language".

Thus, farmers are considered a key resource for the development of the territory, not only as producers, but also and above all as innovative entrepreneurs linked to the tourist sector. Agriculture is an encompassing activity which embraces and gives continuity to the territory. As for the production side of the multi-dimensional South Tyrolese agriculture, fruit-growing is the most relevant sector in terms of production value: South Tyrol produces almost half of Italian-grown apples, or 10% of the apples grown in Europe. The second pillar of the agriculture of this province is the dairy industry, while the wine sector produces high quality wines (Lechner et al. 2010). In many cases farms are tourism enterprises, which not only provide accommodation, but also offer restaurant services, where main speciality is the use of local food typical to the regional cuisine (Bocchetti et al. 2009). In this regard, there is a close cooperation between the *Südtiroler Bauernbund* and the hotel industry representatives (Il sole 24 Ore

2003). The number of farms that offer agri-tourism services increases all the time, reflecting the economic importance of this sector. In the period 2004–2009, their number increased by about 17%, rising from 2 328 to 2 797 (Provincia Autonoma di Bolzano 2009a). In South Tyrol agri-tourism is by and large the most dominant complementary activity within diversified farms (which in 2007 represented about 23% of their total number), and ranks second in the country after Tuscany concerning the amount of agri-tourism; 67% of diversified farms specialize in agri-tourism (compared to 15% of the national average), 27% in the processing of agricultural products, and the remaining 17% in other activities (Istituto Nazionale di Statistica 2008; Provincia Autonoma di Bolzano 2006). The percentage of diversified farms in Italy is much lower than in South Tyrol, and accounted for 7.2% in 2007 (Eurostat 2009b, Table 9). However, even on the Italian peninsula diversified farms have been growing in recent years, increasing of about 16 000 units in comparison to 2005 (+14%). Among the diversified activities, agri-tourism has witnessed the highest increase (+40.8%), followed by other gainful activities (40.4 %). The diversified farms are located in equal measure in the north (39.1%), and in the Mezzogiorno (39%), while 23.9% is located in the central area. Unlike Finland, where the highest number of diversified farms have a surface area of more than 20 hectares, in the Italian context most multi-functional farms are small or medium size, and 19.3% of those are less than 1 hectare (Istituto Nazionale di Statistica 2008).

Table 9: Percentage of farm diversification in Italy, 2007
Source: Eurostat (2009b)

Tourism	Handicraft	Processing of farm products	Wood processing	Aquaculture	Renewable energy production	Contractual work	Other gainful activities	Total
1.3	0.1	5.8	0.1	0.2	0.2	0.2	0	7.2

Despite its decreasing work force through the years, agriculture still plays a relatively important role in the local economy. According to ISTAT data, in 2009 the added value of agriculture in South Tyrol (also including forestry and fishery) represents 4.1% of the total added value in the province; this figure is higher than in nearby Trentino (3%) and more than double the national average, which amounts to 1.9%. Among the three sectors of agriculture, forestry, and fishery, agriculture generates the highest added value (94.6%), followed by forestry (5.3%), and fishery (0.1%) (ASTAT 2010). Most of the South Tyrolese farms have always had since small dimensions: 62% of the farms have a total surface which is less than 10 hectares, and only 1.5% a surface which is equal to or higher than 100 hectares (ASTAT 2011). The Utilized Agricultural Surface in South Tyrol is characterized mostly by meadows and pastures (87.9%), followed by arboreal cultivation (10.3%), arable land (1.7%), and family gardens (0.1%).

Farms characterized by arable land and arboreal cultivations are usually small in size, while farms with meadows and pastures tend to be bigger (ASTAT 2011).

In terms of its farm structures, South Tyrolese agriculture is relatively stable.[43] This argumentation is especially supported by the continuity of the closed farms, as documented in section 7.4.1 by very recent data (August 2009). However, in the last ten years, as the preliminary results from the 6th Agricultural Census 2010 show, the number of farms has declined by 2 938 units (12.6%) from 23 150 farms to 20 238 farms. The data, ASTAT (2011, 2) notes, "reflect the tendency at the European and national level, but the situation of the South Tyrolese agricultural sector is better in comparison to both nearby and more distant areas".[44] The Utilized Agricultural Surface (UAS), on the other hand, has experienced a more moderate decline, amounting to 8.9%, dropping from 267 386 hectares to 243 519 hectares (ASTAT 2011). The Italian context, as shown in Table 10, has experienced a larger decline in the number of farms (-32%); the same situation has occurred in the Alpine regions of Trentino (-42%), and Valle D' Aosta (-41.2%) (Istituto Nazionale di Statistca 2011).

Table 10: Farms, utilized agricultural surface, and percentage variation in the number of farms 2000/2010 in South Tyrol, Trentino, Valle D'Aosta, and in Italy
Source: Istituto Nazionale di Statistica (2011)

Regions	Total number of farms (2010)	Utilized agricultural surface (2010) (hectares)	Farms 2000/2010, %	UAS 2000/2010, %
Trentino Alto Adige/South Tyrol	36 666	380 502	-28.7	-8.1
South Tyrol	**20 238**	**243 519**	**-12.6**	**-8.9**
Trentino	16 428	136 983	-42	-6.6
Valle D´Aosta	3 520	55 384	-41.2	-22.1
Italy	1 630 420	12 885 185	-32.2	-2.3

Furthermore, the average dimension of farms (calculated in hectares) in South Tyrol according to UAS has remained fairly stable. In the period 2000–2007, there was an average farm increase of 6.9%, growing from 11.6 hectares to 12.4 hectares. As shown by Table 11, a farm enlargement average of 6.9% is fairly small, both in comparison to the nearby province of Trentino (38.8%), and in relation to the broader Italian context. The highest farm enlargement average in the country occurs in the alpine region of Valle D'Aosta, located in the

[43] The censuses of 1982, 1990, and 2000 take into account farms smaller than one hectare. The surveys conducted in 2005 and 2007, as well as the upcoming results of the 2010 census, do not.

[44] Although the data reported by Alpine Convention (2010) concerning the decline in the number of farms is not so recent (period 1980-2000), it is relevant to note that within such a geographical space, there is a clear cultural divide between areas where the de-agrarianization process has not been very strong (German-speaking alpine regions (Germany, Austria, Switzerland as well as South Tyrol)), and others areas where such phenomenon has been more drastic (France, Italy, and Slovenia).

northwest of Italy (Istituto Nazionale di Statistica 2008). As shown in Figure 30 by Eurostat (2009b), even though there is still a high number of small farms in Italy compared to the Finnish context, there is a clear tendency towards concentration, since the highest category of utilized agricultural area is given by farms between 50 and 200 hectares in extension.

Table 11: Average farm dimension percentage in 2000 and 2007, and percentage variation 2000/2007 in South Tyrol, Trentino, Valle D'Aosta, and in Italy
Source: Istituto Nazionale di Statistica (2008)

Regions	2007	2000	Percentage variation 2000/2007
Trentino Alto Adige/South Tyrol	9.6	7.8	23.1
Alto Adige/South Tyrol	12.4	11.6	6.9
Trentino	6.8	4.9	38.8
Valle D´Aosta	17.6	11.6	51.7
Italy	7.6	6.1	24.6

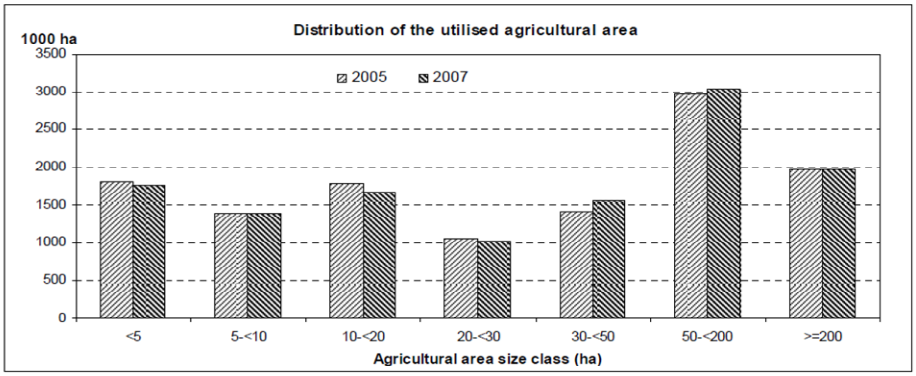

Figure 30: Farm structure in Italy by hectares, 2005–2007
Source: Eurostat (2009b)

In the light of the above argumentation, the newspaper Alto Adige (9.7.2011, 3) portrays South Tyrolese agriculture as a sector full of contradictions. On the one hand, it is the most 'traditional' sector; on the other, the Research Centre for Agriculture and Forestry *Laimburg* is very innovative, and has contributed to making apples and wines two of the three most exported goods in the province. Moreover, the sector is heavily subsidized, yet it is the one which experiences the most difficulties. According to this article,

> "three thousand farms lost in ten years represent a huge amount, especially if we consider that the young South Tyrolese increasingly decide not to continue to work on the family farm (only 16% of farmers are less than 40 years of age, and 31% more

than 60). In sum, agriculture is a sector full of contrasts, and these contrasts are very strong between agriculture at the bottom of valleys and the one on the mountains".

Thus, this article by the Italian-speaking newspaper Alto-Adige (9.7.2011) views farm decline from a negative perspective and, similarly to the speech by Durnwalder, assumes the vulnerability of mountain agriculture. Within the contrasts which characterize the agricultural sector, a key debate (as in the case of North Karelia) present in such article is the different views on financial aid and tax benefits given to farmers. For instance Galan, (previous governor of the region of Veneto (1995–2010), and also previous Minister of Agriculture (2010–2011) and Minister of Cultural Heritage and Activities (2011) in Silvio Berlusconi's fourth cabinet), and a representative of the labour unions from Trentino, Monari, disagree on the financial aid given by the autonomous provinces to the agricultural sector, especially to those farmers producing apples, defining financial aid as a 'privilege'. Local labour union representatives from South Tyrol, on the other hand, claim that there must be a differentiation between mountain agriculture, which must be supported, and the wealthier *fondovalle* type of agriculture. To complete the debate, it is worth reporting the words by the director of the *Südtiroler Bauernbund* (Rinner), who claims that:

"if there are all these financial aids, why our farms decline instead of increasing? Legitimate question, as it is legitimate to ask why young people choose other carriers rather than agricultural work. The answer is always the same: to be a farmer is not convenient anymore, especially if the size of the farms is small. It is for this reason that instead of taking away financial aids to those who take care of the landscape, who give value to the periphery, to the jobs, and act in a difficult context, one should increase the support to whom, especially mountain farmers, has increasingly more difficulties in resisting current challenges".

This quotation once again remarks the importance of mountain agriculture, which has more than anything else a cultural, as well as an aesthetic value. Secondly, the vulnerability of small farming is highlighted. Despite the contrasts depicted within the South Tyrolese agriculture, the next two sections address the strong social structures of the closed farm, and of agricultural cooperation, which have been for a large extent responsible for the continuity of agriculture in this region, and which have enabled farmers to remain still powerful agents in the contemporary era.

7.4.1 The institution of the 'Closed Farm'

"The closed farm carries a technical-economic function rooted in a policy whose goal is to defend the historical continuity of the family" (Polelli, 1968, 1).

A key social structure that has historically characterized agriculture in South Tyrol is the legal institution of the Closed Farm (in German *Der geschlossene Hof*,

in Italian *maso chiuso*). Polelli (1968, 9) defines it as "a form of conservation of family property". This institution[45] provides that "upon the farmer's death, the farm is not subdivided among the heirs, but it is attributed to only one person, usually one of the coheirs, called heir contractor (*Anerbe*)"[46] (Mori & Hintner 2009, 6). The other heirs have only the right to compensation. The origins of *Der geschlossene Hof* or *maso chiuso* are rooted in the barbaric law of the German-speaking people, introduced in Tyrol from the Bavarians towards the end of the sixth century. The existence of the Closed Farm has been threatened a few times, such as in the 17th and 18th century, when the increasing impoverishment of the population led to land fragmentation (Ripartizione agricoltura... 2008); in more recent times, such threat occurred when after the First World War Tyrol was divided, and South Tyrol was annexed to the Italian state, and especially during the Fascist period, when the Tyrolese law on the closed farm was abolished in 1929. Despite these threats, this social structure has survived until contemporary days, since it has been part of the local custom and culture since generations.

Gatterer (2007) states that in the aftermaths of the Second World War, this institution represented the first step to consolidate the South Tyrolese minority in Italy. Nowadays the closed farm has evolved to adjust to contemporary society, and it has been recently reformed by Provincial Law 17/2001. Thanks to the changes introduced by the revisions contained in this law, women can also inherit the farms, and criteria are established to compensate the other heirs (Gatterer 2007). This institution has also been recently modified by Provincial Law 2/2007 (relations of closed farms with urban planning norms), Provincial Law 6/2007 (changes concerning their extension) and Provincial Law 4/2008 (which has provided for some cases of pre-emption) (Mori & Hintner 2009, 13).

On June 30th 1928, when the Italian law abolished the closed farms, in part I of the land registry plan 12 111 closed farms were registered; however, this registry plan was not yet completed and some municipalities were missing (Mori & Hintner 2009, 14). Up to August 2009, there are 13 334 closed farms in South Tyrol, and they represent a bit more than a half of the 20 212 farms present in the Province (ASTAT 2011). Due to the closed farm system, there is for instance a significant difference between the sizes of farms in South Tyrol and farms in nearby Trentino: while South Tyrolese farms have an average of 3.9 hectares of land, the Trentino farms have an average of only 1.3 hectares (Pichler & Walter 2007).

[45] A particular type of closed farm is the so called *Erbhof* (in Italian *maso avito*), whose status is recognized to those farms which have belonged to the same family since at least 200 years. It is a unique honour for the farm and it represents an important acknowledgement of farming tradition preserved through generations. Since the establishment of Provincial Law 26.04.1982, a total of 1066 *Erbhöfe* are present in South Tyrol up to August 2009 (Mori & Hintner 2009, 13).

[46] In reality, since it is not essential to be heir, it would be more correct to talk about "contractor" without any other specification (Mori & Hintner 2009, 6).

Figure 31 shows that every year about 40 to 50 closed farms are constituted, and about 20 are dissolved. This is a key point that shows clearly the continuity of this institution within the South Tyrolese agricultural system. Although, especially in the past, this socio-economic institution used to penalize the other heirs[47], the benefits of this system are clear (Mori & Hintner 2009). As Gatterer (2007) puts it, the closed farm is against the formation of agrarian proletarianism and at the same time agrarian capitalism. On the one hand, it avoids the atomization of the land, which would result from the selling of a single plot, or from hereditary divisions. Excessive fragmentation is very harmful because it obstacles a rational cultivation, it ends up in the abandonment of the less productive land; it obstacles the cooperation among different owners in light of possible common improvements. On the other hand, despite the owner of a closed farm can possess more than one farm, this institution prevents the formation of large landed estates (latifundium) (Mori & Hintner 2009, 9).

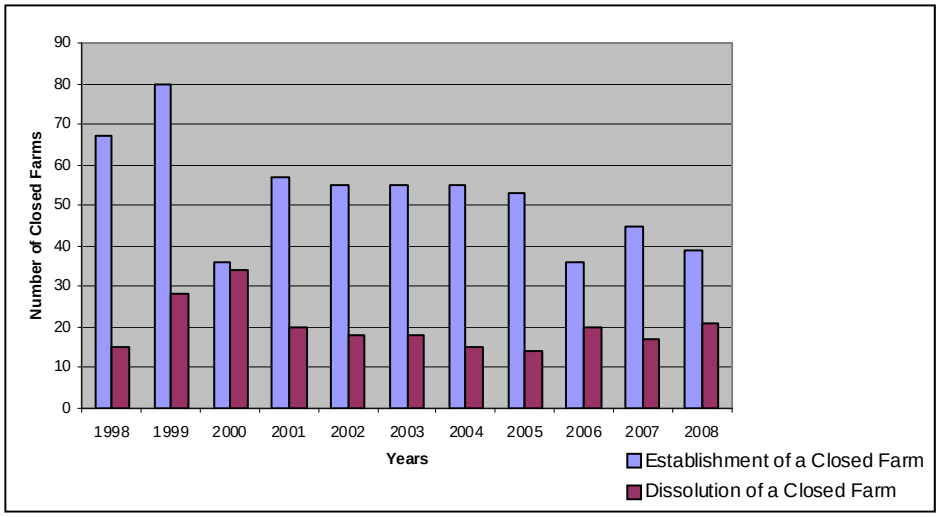

Figure 31: Establishments and dissolutions of closed farms in South Tyrol, 1998–2008
Source: Graph partially modified and taken from Mori & Hintner (2009, 15)

Furthermore, the closed farm prevents farmers' debts, since they are not forced to sell the property to pay the coheirs. As shown from the graph above, it also

[47] Although the farming unit was not fragmented when the head of the family died, the position of the other heirs was tough. If they remained in the farm, they became agricultural servants (*Knecht*); they were treated as family members, but they could not create their own (Mori & Hintner 2009). They basically lost any personal freedom, except for having free accommodation, food and clothes (Gatterer 2007). If they left the farm, they received a small fund, and they had to go and search for luck; however, they had the right to come back if they fell in misery. Only the most skilful were able to find money and land to create their own families and farm (Mori & Hintner 2009, 8).

favours the continuity in the possession of the farm and its associated good conservation and cultivation, which is not tied to the single farmer but to the whole family. The closed farm assumes and consolidates the family bonds: Gatterer (2007, 1124) argues that still today the South Tyrolese farm has a non-written obligation to achieve, which is the function of 'open house' or nest in case of necessity. Who is unemployed in the towns, who is ill while he or she is a worker in a firm, has always the possibility to return in the farm. Also, it favours the direct cultivation even in the most inaccessible and rough areas; in Val Senales for instance, there are still many farms above 2000 meters in elevation. Last but not least, this ancient institution created in the past a certain demographic equilibrium because of the difficulties for young people to establish their own family until they were living in the farm (Mori & Hintner 2009, 10). In sum, in spite of the fact that the closed farm may be considered as conservative, it is economically and socially healthy, and represents a solution to slow down the agricultural crisis that is hitting several countries (Gatterer 2007).

7.4.2 The legacy of South Tyrolese agricultural cooperation

As partially discussed in Section 7.2, farmers in Tyrol always maintained a greater freedom than in any other German region, and were thus not obliged to give up part of their harvest or pay large sums of money to redeem their property (Hans von Voltelini 1919 in Faustini 1985; Pichler & Walter 2007). This was especially the case in the period of subsistence economy, when farmers produced goods for their own consumption. However, from around 1825, when mass production of food and goods of common use started, as well as the development of means of transportation including railways and sea transport, farmers in Tyrol started to face economic impoverishment and got increasingly into debt. The new means of transportation (such as the Brenner railway) gave the opportunity of importing goods from far away, damaging the production in local markets; as well, salaries of people involved in agriculture started to depend on money and not on food products and clothes. Other factors that played a role in the impoverishment of farmers included the natural disasters of the late 1800s, and also political reasons. Throughout the wars of 1859 and 1866, which led to the Italian unification, the Asburgic empire lost the regions of Lombardia and Veneto, which until then they were Tyrol's markets; the new customs represented a clear obstacle to exports (Pichler & Walter 2007).

In spite of the economic impoverishment, in South Tyrol the shift from a subsistence economy to a market economy was not as critical as in many parts of Europe, where it caused massive migration overseas (Pichler & Walter 2007). In this regard, Leonardi (1993, 90) points out that:

> "Tyrol was still distant from those bitter social conflicts that were dramatic especially in the large centres of Europe, where a concrete realisation of cooperative models based on cohesive principles among the various social classes found many difficulties.

> Certainly, a Catholic vision of the world, deeply rooted among Tyrolese population, had a big influence in that. The catholic moral and ethic represented a model of life, in which collaborationist concepts represented an important meaning".

In the context of this agricultural crisis, Tyrol politics took action at the late nineteenth century; the Provincial Council of Agriculture (*Landeskulturrat*) carried out a vast agrarian reform which included the introduction of the closed farm, the creation of the rural credit banks according to the system of Friedrich Wilhelm Raiffeisen, and the establishment of agricultural cooperatives in the early 1890s. An incentive to the diffusion of the cooperative movement in the economy came in 1891 from the encyclical "*Rerum Novarum*" of Pope Leone XIII, which still today represents the foundation of the Christian social doctrine. The Christian-social area pushed for the introduction of cooperation in Tyrol, which was supported and approved by farmers and handricrafts workers (Pichler & Walter 2007, 32; Leonardi 1993).

Before the First World War, the cooperatives and the association of cooperatives were organized partly in sectoral federations in the whole territory of *Deutschtirol* (thus excluding Trentino) and partly in intersectoral territorial federations in both North and South Tyrol. The opportunity to create a federation was particularly supported by the regional councilor and deputy Ämilian Schöpfer, who proposed a constitution for the agricultural coopearatives in which all farmers would be represented in order to safeguard their interests (Pichler & Walter 2007). According to Pichler & Walter (2007, 31), "in about 20 years, the *Cooperazione* was a crucial part of the socio-economic system both in the secondary valleys and the main ones in the region. At the beginning of the 1900s there was no sector of agriculture in which cooperatives were not active". In 1919, about two-thirds of autonomous farmers of South Tyrol/Alto-Adige were organized in cooperatives while the rural credit banks had a capillary presence in the territory. As such, agricultural cooperatives were not supported and/or created from some central institution as in the case of North Karelia, but were the result of a bottom-up process, within which farmers have always been very powerful agents.

Because of a different economic asset of agriculture, at the end of the First World War the South Tyrolese cooperatives were severed from the main organization located in Innsbruck (North Tyrol); they later started to operate autonomously in a period of difficult transition characterized by the rise to power of fascism, which opposed their work because of their desire for autonomy and democracy (Pichler & Walter 2007). In contrast to what happened in Italian-speaking Trentino, where the cooperative movement was split according to different ideological and political perspectives, in South Tyrol the strong cohesion within the German-speaking minority rarely saw the rise of ideological divisions within the cooperative movement. The fascist regime was opposed to the autonomous institutions in the region, and it considered the

removal of the 'German' banks a crucial step to the Italianization of the territory. In Fascist Italy there was no space for free and democratic cooperation, which re-emerged after World War II. At that time, agriculture had a fundamental relevance in the social and economic structure of South Tyrol. At the end of the Second World War farms experienced a slow process of modernization and mechanization that, from the second half of the 1950s, accelerated. Throughout this period, rural cooperatives and their federations played a fundamental role. These associations represented an important support for the farmer, especially for marketing products, in their buying plants and seeds, tools, etc. (Pichler & Walter 2007).

The first social organization to be re-established after 1945 was the *Südtiroler Bauernbund* (SBB), which saw to the reorganization of agriculture (Gatterer 2007). The cooperatives of fruit growers were born, as well as wine cellars and cattle cooperatives; throughout the 1960s the activities of the rural banks started again. In 1954 the Provincial Federation of the South Tyrolese Agricultural Cooperatives was established, as well as the Central Union of Agricultural Cooperatives, whose function was to place products in the market. According to Gatterer (2007, 1125), "this complex organization was by far superior to the one existing in the Italian agricultural world". A member of the Christian Democratic Party in 1958 stated that: "the mechanization of agriculture in Alto Adige has reached extraordinary figures. The latest data […] indicate that in the Province of Bolzano there are 1595 tractors […], as well as 5000 machines for agricultural use, exactly twice the amount of the agricultural machines present in the Province of Trento, for the same extension of cultivated land. In addition, the Province of Trento has one of the highest mechanized agricultures in Italy". Gatterer (2007) argues that in spite of being conservative in mentality, the South Tyrolese were at the highst level concerning technical and civil progress. This factor was supported by the presence of agrarian schools: in 1968 in South Tyrol there were two agrarian technical institutes, one institute specialized in fruit cultivation, and two schools that prepared women for domestic work in agriculture. The agricultural cooperative system is still strongly present in the province, and it deals with the commercialization of agricultural products. The cooperatives run almost the entire dairy market, as well as the apple market (90%) and the wine market (70%) (Il Sole 24 ore 2003).

Within the overall cooperative system from 1980 to 2005, the production and the services of cooperatives have more than doubled, reflecting the fact that South Tyrolese society has increasingly moved to a 'service' society, as shown in Table 12; the decrease in the number of agricultural cooperatives is partially due to the merger policy which has characterized the last decades (Pichler & Walter 2007, 207) (Table 12).

Table 12: Evolution of cooperative types in South Tyrol, 1964–2005
Source: Pichler & Walter (2007, 208)

COOPERATIVES' TYPES	1964	1971	1975	1980	1985	1990	1995	2000	2005	Increasing / Decreasing percentage
Cooperative stores (co-ops)	28	19	15	17	19	15	12	13	11	-35
Agriculture	**150**	**164**	**149**	**152**	**146**	**140**	**132**	**150**	**130**	**-14,5**
Work & Production	33	30	15	53	55	79	67	113	107	+101,9
House building	161	193	152	431	357	233	192	204	221	-48,7
Services	40	88	55	152	194	216	264	306	320	+110,5
Credit	70	71	54	59	58	58	54	53	52	-11,9
Total	482	565	725	864	829	741	721	839	928	+7,4

On the basis of the role of agriculture and rural development in the South Tyrolese regional context discussed in Sections 7.1–7.4, in the following three sections the LEADER policy in this province will be discussed, in particular how rural development and agriculture have come together in this European programme.

7.5 LEADER IN SOUTH TYROL: MAIN FEATURES AND ACTORS

At about the end of the 1980s the LEADER Programme started in South Tyrol/Alto-Adige. In 1987, an inquiry by the Autonomous Province of Bolzano/Bozen about the economic performance of its valleys revealed that the Alta Val Venosta (Vinschgauer Oberland), the Val d' Ultimo (Ultental), and the Alta Val di Non (Deutschnonsberg) had lower economic indexes (such as the average income index) than the other areas of the province. The first Provincial Council by President Luis Durnwalder (1988) wanted to adopt specific measures for the above-mentioned areas. In South Tyrol, it was necessary to take action in those areas, and in that sense there was a political will to act accordingly (interview 31). The key developer in charge of the rural development plan commissioned in the provincial council by Luis Durwalder was a university professor. He aimed at the improving of Alpine farmsteads, favoured the cultivation of vegetables (which gives an income per hectare higher than milking cows), as well as innovation projects for small handicrafts, the creation of a single tourist association in Val Venosta, and the establishment of a permanent training center in the territory. When this project ended, the European Union (budget 1989–1995) launched the LEADER Programme alongside the already established European Agricultural Guidance and

Guarantee Fund (EAGGF); the first LEADER in South Tyrol started in Val Venosta, followed by the *LAG Val d' Ultimo* in 1995 (LEADER II), and the *LAGS Val Sarentino* (*Sarntal*), *Alta Valle Isarco* (*Wipptal*) and *Valli di Tures e Aurina* (*Tauferer Ahrntal*) for the LEADER + period (Provincia Autonoma di Bolzano 2005). For the current period 2007–2013, only the *LAG Val Venosta* has ended its activitities, both because the area covered from the LAG has recovered successfully and also regardless of whether it is needed, the province will provide funding for that area (interview 1).

On the basis of the above considerations, it has been suggested that the province has given, and is giving, continuity to the LEADER action, unlike the nearby province of Trentino, where the designated Local Action Group for every programming period has been brought to an end in favour of another area. As such, a rotation scheme is in place in the Trentino province: during LEADER+ the Local Action Group was in Valsugana, but in the current period 2007–2013 it is located in Val di Sole. As a result, there is no continuity of LEADER action; rather, the provincial administration prefers concentrating LEADER funds in a specific area of the province. However, a professor from the University of Trento (interview 23) claims that the local action groups in South Tyrol are fairly small, both in terms of surface area and population in comparison to both Trentino and the Italian average. For instance, the *LAG Wipptal* has about 18 000 inhabitants while *LAG Valsugana* in Trentino has a population of about 86 000. He further notes that "in Trentino, the LEADER programme is more a method to favour the intervention of a variety of subjects, more than an exclusive instrument for developing certain areas". Another important issue worth mentioning is that LEADER funds allocated to Trentino have been lower than the ones allocated to South Tyrol.

The LEADER+ Programme written in South Tyrol was sent by the province to the European Commission in August 2001, and was approved in September of that year. The programme officially started in July 2002 with the approval of the five local development plans (Val d' Ultimo-Alta Val di Non, Val Sarentino, Val Venosta, Alta Valle Isarco, Valli di Tures and Aurina). The total financial plan for this period amounted to 17 623 582 €, of which 9 265 128 € was provided by private funds (see Table 13). The population living in the LEADER+ areas, according to Astat data of 2004, amounted to about 80 414 inhabitants within an overall population of 477 077. The dynamism in these areas is given by the natural growth index, which is higher than the provincial average; however, the migratory index is negative, since these areas are not attractive sites for immigration. Agriculture, forestry and the agro-food industry seem quite important in the LEADER+ areas, and firms are medium to small size. Agri-tourism projects, as confirmed by the interviews collected, represented more than 50% of the intervention in the areas affected by LEADER+ (Provincia Autonoma di Bolzano 2005).

Table 13: LEADER+ Programme financial plan in South Tyrol
Source: Provincia Autonoma di Bolzano (2005)

AXES	PUBLIC EXPENDITURE		PRIVATE QUOTA		TOTAL COSTS	
Axis 1: Territorial strategies of rural development	16 615 783 €	94.3%	9 206 928 €	99.4%	25 822 711 €	96%
Axis 2: Promotion of cooperation among rural territories	232 799 €	1.3%	58 200 €	0.6%	290 999 €	1.1%
Axis 3: technical assistance, programme evaluation	775 000 €	4.4%	0 €	0.0%	0 €	2.9%
TOTAL	**17 623 582 €**	**100%**	**9 265 128 €**	**100%**	**26 888 710 €**	**100 %**

Similarly to Finland, not all municipalities in South Tyrol initially understood the importance of LEADER, which was viewed skeptically by some. According to the administrator of the Tourist Association of Racines (interview 9), "the main problem was that in the first two years of LEADER+ nothing has happened ... nobody knew what LEADER was. Politicians did not understand that LEADER was an opportunity to realize many new things for our communities ...". The municipalities that most rapidly realized the importance of LEADER have been able to implement more projects, while other municipalities have been more passive and not taken full advantage of this European Union initiative. On the other hand, South Tyrolese local action groups are quite small, so even if a municipality is not so active, it still benefits from a project that has been executed only 30 Km away.

In this study, most of the interviews at the local level have been conducted in *LAG Alta Valle Isarco*; however, a few have also been undertaken in *LAG Sarentino* and in *LAG Valli di Tures Aurina*. Unlike the Finnish case study, where about half of the interviewees have – some directly, others indirectly – been involved in village movement activities, in the Italian case study only in a few circumstances did the informants interviewed have previous experience with rural development; members of LAGS are representatives of key institutions both in the public and the private spheres, such as mayors, representatives from the chamber of commerce, from handicraft associations, tourist associations, farmers' organizations etc. The most striking characteristic of the Italian case study is the relevant presence of informants who have a background in politics. These informants do not exclusively include representatives from the public sector, that is the mayors of the different municipalities, but also the staff of the

local action groups or the representatives of the economic associations. For instance, at the time when the interviews were conducted, one of the LAG staff was a municipal councillor, another was involved in the municipal council, and the representative of the handicraftsmen was also working in the municipal council.

Similarly to the Finnish case study, however, in South Tyrol, too, in most cases one is dealing with quite active people concerning their working career. For example, a professor who teaches political economics at the University of Innsbruck comes from a rural area in the province, and this factor has been very important for his experience in the rural development programmes. He first started a project of rural development on behalf of the provincial government, and later he was in charge of the LEADER Programme in South Tyrol, when this programme started. A mayor from *LAG Wipptal* has a background in economics and political science, and has experience in the economic and association sector; he was assistant to the director of the craftsmen's association in Bolzano, then at the chamber of commerce, and is now a politician. Another mayor in *LAG Wipptal*, who is an agrologist, has work experience in agro-industrial projects, in cooperation projects, in environmental impacts, and in rural construction. He has performed his activities not only in the province of Bolzano, but also abroad; he has been mayor since 1990.

In spite of the fact that the local action groups under examination are fairly small in terms of their surface extension and their population, they present relevant differences among each other and this is due to a variety of factors including physical geography, economy, and administrative setting. The *LAG Wipptal* (Figure 17) includes the municipalities of Brennero (Brenner), Campo di Trens (Freienfeld), Fortezza (Franzenfeste), Racines (Ratsching), Val Di Vizze (Wiesental), and Vipiteno (Sterzing); it has a surface of 650 km^2 and a population of 18 558 inhabitants (Gruppo d' Azione Locale Wipptal 2008). *LAG Wipptal* is located right at the border with Austria, and it has witnessed a period of restructuring that has followed the dismantling of border structures upon the implementation of the Schengen Treaty in 1998. Remote alpine valleys in this area have a delay in their development, such as Racines and Val di Vizze. To a broad extent, the relation between the number of young and old people is balanced in this local action group, except for the problematic municipalities of Brennero and Fortezza, which before the Schengen Treaty relied mostly on the custom facilities present in their territory. For the town of Brennero, the intention is to develop it as a center for shopping, while Fortezza has promising perspectives due to its old fortress. Because of the unfavourable climatic conditions, employment in agriculture is small in comparison to other rural areas of the province. Many parts of the territory allow only for an extensive type of farm product. Wipptal is not a homogenous entity; valleys are small, and the towns of Vipiteno, Brennero and Fortezza are focused on the transport and highway axis. Apart from three fairly large industrial firms, the productive

sector is characterized mostly by small entrepreneurships (especially in the handicraft sector), which needs to be strengthened. The strengths of this area are a diversified economic structure, where peripheral farms are still managed by farmers with secondary income or as a non-agricultural activity, by the ecological quality of the territory, and by the willingness of residents in peripheral areas to adopt a sustainable development, including, and above all, women (Gruppo d' Azione Locale Wipptal 2008).

LAG Wipptal/GAL Alta Valle Isarco (LEADER + 2006)
Population: 18 558
Surface: 650 km²
Total public funds: 5 700 000 €
Projects: 103

Figure 32: LAG Wipptal/GAL Alta Valle Isarco

When the Wipptal district was chosen in 2001 for the implementation of the LEADER+ Programme, a cooperative was established in January 2002 for the purpose of hosting *Local Action Group Wipptal*, as well as other EU funds such as INTERREG and European Social Funds (interview 1). The members of the local action group were appointed by an act of the district community. The members of the LAG were usually the representatives of various associations, while the president of the LAG was chosen by LAG representatives. In the LEADER+ Period, the *Wipptal Local Action Group* was composed of 24 members, of which 12 were representatives from the public sector and the other 12 representatives of the private sector. The LAGS' private sector members are usually the highest representatives of the local associations. In the case of the *LAG Wipptal*, one deals with the *Consorzio Turistico Valle Isarco* (Tourism Consortium of Isarco Valley), the *Unione dei Commercianti* (Traders' Union), the *Unione degli Artigiani* (Craftsmen Union), the *Ente Distrettuale dell'Agricoltura* (District Association of

Agriculture), the *Liberi Professionisti* (Professionals), the *Ispettorato Forestale di Vipiteno* (Vipiteno Forestry Inspectorate), and the *Centro Giovani* (Youth Center). Within LEADER+, the *LAG Wipptal* had at disposal 5.7 million € and implemented 103 projects. Projects have included rural tourism (for instance, establishment of new walking trails in the Alps), agri-tourism, restoration of the infrastructures of alpine towns, education courses for the local population as well as support to small and medium enterprises, especially the handicraft sector (GRW Wipptal 2006).

The *LAG Val Sarentino* (Sarntal) is located north of Bolzano, the main South Tyrolese urban center (Figure 33). A unique characteristic of *LAG Sarntal* is the fact that it covers only one municipality, Sarntal/Sarentino, which, in terms of surface extension, it is the biggest municipality of South Tyrol, with 302 km^2. Its population is 7 000 inhabitants. A representative of the Forestry Inspectorate (interview 24) remarks that in this municipality the surface extension of the average farm is higher than the provincial average, with about 20 hectares of land, with peaks of 100 hectares.

LAG Sarntal/GAL Sarentino (LEADER +2006)
Population: 7000
Surface: 302 Km^2
Total public funds: 2 800 000 €
Projects: 83

Figure 33: LAG Sarntal/GAL Sarentino

He further notes that a favourable factor in Sarentino is given by the fact that there are large private forest properties. A farm which owns 15, or 20 hectars of forest has wood cutting as an additional source of income, which is on average about 30 000 cubic meters per year. This wood is also bought by people outside the province, including Trentino. The Sarentino valley is also characterized by the presence of commerce and handicraft; at the same time, it has structural weakenesses, related in particular to the tourism sector. The fact that this LAG

covers only one municipality represents a factor of advantage in the opinion of a LAG staff (interview 12), according to whom, "since we are only one municipality, we have no conflicts with other municipalities". Within LEADER+, the *LAG Val Sarentino* had at its disposal 2.8 million €, and it implemented 83 projects. This local action group was composed by 11 members, of which 9 were representatives of the private sector and the other two representatives were from the public sector. The private members included two representatives from the agricultural sector, two from tourism, two from handicrafts, one from the economic sector, and two from continuing education. The public was representative by two members from the municipality of Sarentino (Provincia Autonoma di Bolzano 2007b; Gruppo di Azione Locale Sarentino 2005).

The *LAG Tauferer Ahrntal* includes the municipalities of Gais (Gais), Campo Tures (Sand in Taufers), Selva di Molini (Mühlwald), Valle Aurina (Ahrntal) e Predoi (Prettau) (Figure 34). It has a surface area of 603 km² and a population of about 14 700 inhabitants. Its economy is mostly based on milk production and its by-products, as well as on its natural park "*Vedrette di Ries*".

LAG Tauferer Ahrntal/GAL Valli di Tures Aurina
(LEADER+ 2000-2006)
Population: 14700
Surface: 603 Km^2
Total public funds: 7 000 000 €
Projects: 169

Figure 34: LAG Tauferer Ahrntal/GAL Valli di Tures e Aurina

LAG Tauferer Ahrntal is located in an area which is quite developed economically, especially the towns in the central valley; however, economic and social weaknesses are present in the lesser valleys and the end of the central valley because of their peripheral location. As a result, attention within the LEADER+ programme was on the development of tourism. In LEADER+ (2000–2006), the

local action group was composed by 14 members, of which eight were from the private sector and six from the public. The public sector was composed of members of the five municipalities and one from the agricultural district, while the private sector included two members from the agricultural sector, two from the tourism association, one from school and culture, one from culture, one from handicrafts, and one from infrastructure. This local action group had at its disposal about 7 million € and has implemented 169 projects (Provincia Autonoma di Bolzano 2007b; Gruppo di Azione Locale Valli di Tures e Aurina 2005).

7.6 LEADER IMPLEMENTATION: THE ROLE OF LOCAL ACTION GROUPS AND POWER RELATIONS

> "To a general extent, partnerships are a very important model for rural development. At the provincial level, however, the approach to partnerships is difficult, because our history and politics have a top-down character, people are used to the top-down, and they do not feel the need to seek cooperation with other partners to get what they need. It is a question of mentality, traditions, and history" (Interview 16).

On the basis of the thematic analysis undertaken in the analysis of the interviews (code levels shown in Figure 35), the empirical data suggest that the LEADER approach in this province has been characterized by two main overarching themes closely related to one another: politics and agriculture. In regard to the theme of politics, the main interpretive codes are given by the top-down approach, which has historically been the main method of development (as well as the main political approach) in the province, and by the concept of representativeness. Interviewee 13 claims that "in the Province of Bolzano, there is a centrist logic … It is feared that the emergence of other territorial identities could undermine the strength of the center".

Figure 36 summarizes the top-down policy setting which encompasses the South Tyrolese LAGS. At the top of the figure is the president of the province, who is the most influential and powerful figure at the political level in South Tyrol. The establishment of the South Tyrolese LAGS was decided by provincial politicians along with local mayors, not by the valleys' inhabitants (interview 29). Moreover, a high-ranking civil servant (interview 28) remarks how all associations in the various economic sectors (agriculture, tourism, handicraft, etc.) represent strong political lobbies with their members in the provincial council; he further defines these associations as bureaucratic bodies comparable to the public administration itself. Moreover, the above-mentioned civil servant (interview 29) notes that:

> "The Italian state focuses strongly on these partnerships, but in our province there is no need for many partnerships, because it is politics that decides everything … In our

province the bottom-up approach is rare, we have mostly top-down. All associations, like the agricultural ones, are quite close to politics".

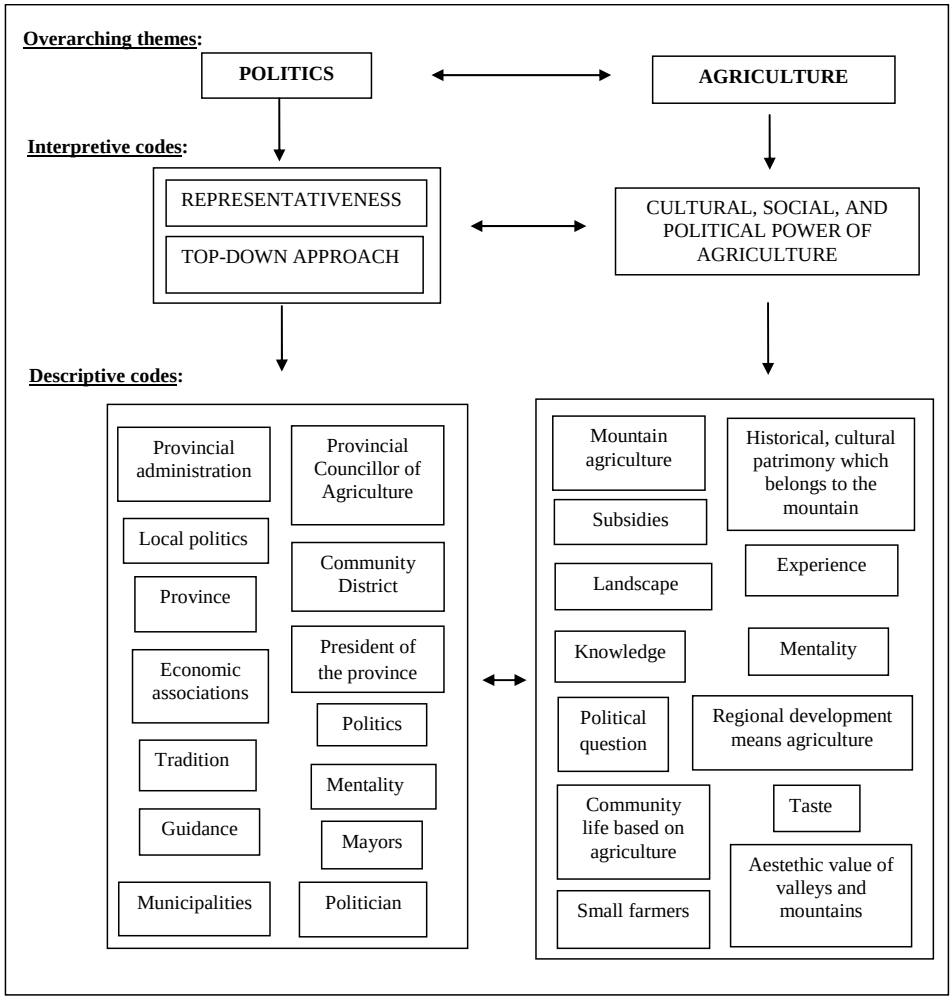

Figure 35: Thematic analysis for the South Tyrol case study

Thus, one may well define the LEADER+ Programme as a 'provincial' programme; as such, provincial control of it has been quite strong. Unlike the cases of *Joensuun Seudun LEADER* and *Vaara-Karjalan LEADER*, where local development has emerged through village work and associations, in the provincial LAGS a top-down approach entrenched in the traditional political hierarchies still prevails.

Until the LEADER+ Programme, the bridging between the province and the various LAGS had been embodied by the provincial coordinator, a person of trust in the provincial council who knows the territory well and has coordinated

the activity of the various LAGS. He was able to implement the programme as they wanted at the provincial level and then he gathered the ideas. If in one theme one LAG was not able to spend the money, this money was directed to another LAG. The provincial coordinator carried out the task of exchanging the experiences of the various LAGs and giving feedback to politicians and to the province (interview 7). If, on the one hand, the provincial coordinator functioned as a guide for the LAGS which did not have any previous experience, on the other hand, his work may have restrained the bottom-up development process, and possible cooperation among the provincial local action groups. A staff member of *LAG Sarntal/Sarentino* (interview 12), has argued that the LEADER coordinator himself, upon consultations with the main representatives of the associations and municipalities, has written the local development plans.

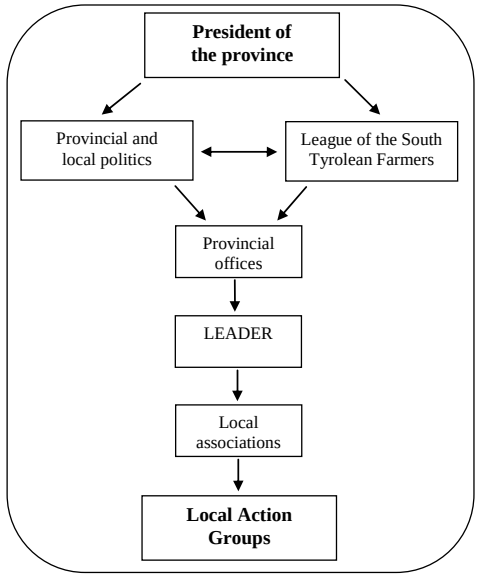

Figure 36: LAG Wipptal/Alta Valle Isarco policy setting

Unlike most other Italian realities, in the LEADER+ Programme there was no announcement of selection of the local development plans because of the limited territorial extension of the autonomous province; according to the LEADER evaluation, the local developments plans of the different LAGS seem to be standardized, due to this external LEADER coordination (Provincia autonoma di Bolzano 2005). In this current period (2007–2013), however, the province has left the choice to the various LAGS whether they are willing to have a provincial coordinator or not. In the case of *LAG Sarntal/Sarentino*, a staff member was quite satisfied with this decision, because the projects can finally come from the bottom, from the people (interview 12).

In the following debate (Figure 37) the most representative statements that indicate the role of politics as well as administration in the LEADER programme have been collected.

DEBATE 2

Interviewee 30: in the process of forming the local action groups, the provincial administration has not exercised any type of pressure or influence: it has only verified compliance with EU criteria. At the local level, the municipal representatives are directly involved in the local action groups, and not only do they have to be beneficiaries of the financing, but must also be a fundamental component which is responsible of the good handling of these local programmes.

Interviewee 4: Local politics along with mayors and municipal councillors of the six municipalities of the local action group Wipptal has had a fundamental role in the introduction and execution of the LEADER Programme.

Interviewee 21: When we started the local action group, it was the province who made the proposal to create such a LAG in this municipality...

Interviewee 22: During LEADER+, the programme was a provincial programme: it was given to a coordinator who was responsible for writing the local development plans.

Interviewee 25: In my opinion, within the creation of this local action group (LAG Valli di Tures/Aurina), a central role was played by the province, especially by the Landeshauptmann (the president of the province), the provincial councilor for Agriculture, and the LEADER coordinator, who already had experience in other areas ... in this area the key role was played by the mayors of the five municipalities...

Interviewee 26: I myself [mayor] carried out this LEADER initiative ... I knew the situation in Val Venosta, where I had contacts with a professor who had experience with rural development programmes. Then I met Durnwalder (the president of the province, and Berger (the provincial councillor for Agriculture), and the LEADER initiative started in the area.

Interviewee 19: It had been decided by politicians where to establish a specific Local Action Group. It is not a decision that belonged to the various valleys. The politician had decided along with the local mayors to establish a local action group here. The provincial council had lot of funds, if money is lacking they took it from LEADER.

Interviewee 7: Politics has decided how much money was going to be given to this area. The main actors in this province are the presidents of the agricultural cooperatives, the president of the Bauernbund, mayors, but above all, it is the Landeshauptmann who controls everything.

Interviewee 1: The central organization from which the LEADER Programme has started is the community district (*Comunità Comprensoriale*); within the community district, the various municipalities come to an agreement and then they establish a local action group. Then the choice by the province takes place.

Interviewee 2: Since members of the local action group were appointed by an act of the district community (Comunità Comprensoriale), there is a predominance of the public sector in the partnership structure; this factor is not so negative, because in this way there is a coherence with the municipal strategies of development.

Interviewee 26: often LEADER funds do not correspond to our territorial needs. Local municipalities should decide how to administer these resources ... for instance, we need to

constantly maintain the road infrastructure to the alpine farmsteads, and in this case LEADER does not help….

Figure 37: The role of politics and administration in the LEADER Programme in South Tyrol

On basis of the respondents' comments, the data suggest that 'development' is a prerogative, almost an exclusive right of the public sector, including the various levels of government and governance (province, municipalities, and the district community), as well as administration: for instance, it is the municipalities that are supposed to handle these types of programmes as well as being beneficiaries; 'representative democracy' is the main guide overseeing development. At the same time, it is suggested that a real bottom-up approach cannot exist in South Tyrol because representativeness is a key dimension in public life: "people are used to having a guide". In this province, and in general in the Italian context, people seem to trust groups of individuals that represent certain interests, rather than the initiative of single individuals in legitimizing the creation of any public body or organization, as noted by a professor (interview 25): "I also would feel worried if somebody I don't even know puts up an organization like a local action group. A single individual, by definition, cannot be good as such. He could be bad. There is a high risk that he does his own business in that organization ..." Interviewee 1 further argues that:

> "Here in South Tyrol people are not used to taking the initiative at the local level, but they wait for guidance … [In comparison to North Karelia] this bottom-up approach cannot work here, because people are used to having a guide. The district community is the most representative organization in the territory; the most representative associations of the territory are also involved".

In the Italian context as well, research conducted by Petrella (2009) on some Italian local action groups, and by Cavazzani within the Pride Project (2001, 2005), indicates that the bottom-up aspect in the constitution of local action groups is neither so evident nor spontaneous: "their origin mainly depends upon the initiative of local authorities or key people. […] In substance, the dominant approach seems to be of a local top-down, rather than an effective bottom-up" (Cavazzani 2001, 5).

In the background of such centrist logic, a few interviewees stress that there should be more delegation of power to the local level on how to distribute and deal with different kinds of resources. Discussing the case of LEADER implementation in Trentino, a professor from Trento (interview 24) argues that LEADER could work better if there was direct connection between the EU and the local action groups, bypassing the state and regional level. Indeed, the principle of subsidiarity both in the Finnish and the Italian case studies has been only partially fulfilled, and this circumstance indicates the whole ambiguity,

hybridity (and perhaps small amount of transparency?) of these EU policies. In theory, a full realization of the principle of subsidiarity would require a strengthening of EU institutions, on the one hand, and, on the other, a substantial weakening (if not a total removal) of the central level in each country of the EU.

In spite of a background dominated by politics, through the dimensions of representativeness and the top-down approach, LEADER, as a novel instrument in the South Tyrolese territory has certainly stimulated a bottom-up culture. Interviewee 31 contextualizes the role of LEADER within the development strategies of the province very well:

> "South Tyrol is a small territory, where the province knows the needs of the territory; however, the LEADER Programme has the strength to give funds in a decentralized way, to decentralize responsibility … therefore, provincial politics is not responsible for everything that happens in the territory, which is both an advantage and a disadvantage. The disadvantage is that they [at the central level] do not control the experimentation, while the advantage is that when the experimentation does not work, the responsibility would be with the territory, and not with the central level. LEADER can be defined as a smart tool to be delegated to the territory. Here we have a combined approach, both bottom-up and top-down … provincial councillors come from the countryside, they know everything about the countryside … even our president [of the province] often travels to the countryside, and listens to many people … so the flow of information is there".

Respondents mostly agree that the added value of LEADER's implementation has been that of creating a common ground among different actors, in particular among municipalities, associations, and between municipalities and associations. Thus, an alternative way of working, which delegates responsibility to the various local communities, has been experimented with, as noted in Debate 3 (Figure 38).

DEBATE 3

Interviewee 2: In the past five years, a bottom-up culture has been shaped through the local action group … the LAG has brought a culture of local programming, an environment of cooperation and discussion among the different sectors. Within municipalities and associations, this approach has become a working approach. People are learning that there is an added value through this approach … In the current period (2007–2013) we try to put these two systems together. We have certainly tried to activate the entire territory, even the less active municipalities, but at the end of the day we cannot force anybody to participate.

Interviewee 9: LEADER is not only a system of financing, but also a tool to bring people to the same table to create projects. Through LEADER, for instance, tourism offices of every municipality were sitting at the same table.

Interviewee 18: Beyond the LEADER projects, the most important factor that can represent a grounding value for the future of these areas consists in having identified and cemented groups of people that have been able to increase the awareness of strengthening

their own local reality. Such people, who come from different sectors, are the real added value for the rural areas in LEADER.

Interviewee 25: For our area the LEADER Programme has had a very important role because the cooperation projects it has implemented in the last period (2000–2006) did not exist at all, nor did the cooperation among the five municipalities of the area, which they were forced to engage in, and these municipalities have found other ways of cooperating beyond the LEADER Programme in other sectors. Even actors in the economic sector have started to cooperate. I take an example: a cooperation project among 50 entrepreneurs of the area who sell and buy products together. Cooperation is an important criterion for those projects.

Interviewee 3: … LEADER has brought the advantage that people have to meet and design programmes, they have to be creative, all economic sectors have been forced to cooperate … The origins of initiatives such as the Christmas markets, the yoghurt week, the *canederli* [typical South Tyrolean dish] festival, were born directly or indirectly from the necessity that LEADER forced us to cooperate, to meet, to create ideas, even if they were indirectly financed by LEADER. The great advantage is that creativity was born. LEADER has helped to improve the economic, social, and cultural fabric for all citizens of this district community. In my opinion, LEADER should be permanent; it is an incentive to increase creativity, it is good to have a little money for this stimulus. … our province is skilful and is run very well. We are able to preserve our traditions, but at the same time we are open to new experiments.

Interviewee 6: Cooperation among municipalities has increased, as well as between municipalities and other associations. First, [our municipality] did not have much to do with the forestry inspectorate office, but now the municipality is involved with them.

Interviewee 26: Another problem is also cooperation. Farms are not able to cooperate … everybody buys his/her own machinery but then they do not share these machineries with each other. Everybody thinks about his/her own 'garden'. Meetings between different South Tyrol local action groups have not brought much to us. Cooperation between individuals has to be developed. We are too narrow-minded.

Figure 38: The added value of the LEADER Programme in South Tyrol

From the above debate, two main positions have emerged. On the one hand, a few interviewees believe that the LEADER instrument should be permanent, or at least they believe in its effectiveness. On the other hand, some interviewees are skeptical; one mayor from *LAG Tauferer Ahrntal*, for instance, compares LEADER to a 'storm'; when this temporary event ends, everything returns to what it was before. In the analysis of the interviews, it is relevant to note that in a couple of interviews the expression 'forced to cooperate' was used; this supports the idea of the 'novelty' of the LEADER approach, and to a further extent, it indicates that South Tyrolese, in one way or another, are influenced by the 'Italian' individualist approach to economic life. Interviewee 3 claims that "in the economic sphere, we Tyrolese are a bit individualistic, perhaps we have something in common with the Italians who do things on their own and lack unity ... but in associational life, we are like Germans ...". Furthermore, interviewee 1 argues that:

> "In South Tyrol all sectors of the economy are organized in associations (consortia), such as the handicraftsmen, the representatives of industry, tourism, etc. In North Tyrol (Austria) in contrast, the situation is different because there are only two important groups in which social and economic life is organized: the chamber of commerce, which gathers almost all entrepreneurs, and the chamber of labour".

Other data collected suggesting little inclination by South Tyrolese to cooperate is also provided by their weak involvement in inter-territorial and trans-national cooperation within the LEADER+ Programme. Interviewee 25 has claimed that "as for inter-territorial cooperation, the situation in South Tyrol is peculiar. It is very difficult for a local action group to go to Rome for a national meeting. We meet among ourselves, we are not interested in going to national meetings, even if they invite us". A few interviewees have highlighted the narrow-minded attitude that can be found in certain peripheral valleys of the province, for example, in Valli di Tures and Aurina. A researcher from INEA (interviewee 26) argues that the autonomous province of Bolzano/Bozen has decided to put a narrow focus on trans-national or inter-territorial cooperation within the programme of rural development because the same province has claimed that the cooperation was developed within the INTERREG Programme with Austria as trans-border cooperation. The interviewee went on by arguing that "if we look at the quantity of resources devoted to cooperation projects by the autonomous province, this quantity is quite small. It is very likely that from a certain point of view the two provinces [the reference also concerns the other autonomous province, Trento] are more embedded in the European context than in the national context". Furthermore, the few trans-national and inter-territorial cooperation projects have not been initiated by the local action groups themselves; rather, they were promoted by the regional management along with the Department of European Affairs (Provincia Autonoma di Bolzano 2007b).

Unlike North Karelia, where the horizontally-based administrative organizations of the region have been designed by the Finnish state with the specific goal of dealing with EU Programmes, in South Tyrol, as in the rest of Italy, the transversal EU approach has met with pre-established administrative structures. As a high-ranking Finnish civil servant (interview 6) has summarized, "in some countries of Europe, such as Germany, partly in Spain, or Austria, they have old administrative structures, new money, old results ... but in Finland we have new tools, new money, a new structure, and new rural development associations". This statement has been confirmed by a few interviewees in the South Tyrol case study; one staff member of *LAG Tauferer Arnthal* has, for instance, remarked that both state and provincial laws are not suitable for the integrated approach which is typical of the LEADER programme. A civil servant in the province has remarked on the presence of several laws and checks, while a staff member of *LAG Tauferer Ahrntal* has

remarked that this complexity may scare the beneficiaries away, in some cases people prefer go to the province if they need funds.

As in the case of North Karelia, bureaucracy characterizes the LEADER Programme; to a certain extent, the bureaucratic load is even heavier than in North Karelia since the local action groups have to deal with three levels of administration rather than two: Brussels (international), Rome (national), and Bolzano (regional), each of them with their own bureaucracy to follow. Interviewee 5 argues that "LEADER is an interesting thing, but rather bureaucratic… all things that come from Brussels through Rome and Bolzano are quite complicated. On the one hand, LEADER is important because it can involve different groups of people but, on the other hand, the decisions that can be taken are rather few, and we have to take them along with Bolzano, Rome, and Brussels". Above all, though, what stands out is the bureaucratic nature of the provincial administration, as noted by a staff member of LAG Wipptal (interview 1): "On the one hand, the European Union and the LEADER Programme itself require a multi-sectoral approach; on the other hand, if I present a multi-sectoral project, I encounter the obstacle of the provincial laws, which are sectoral laws".

The province evaluates whether the projects can be financed or not; the payment authority is the Expenditure Office of the Department of Finances and Budget of the provincial administration. The function of authority control is run by the Evaluation Unit of the General Department of the Province (art. 24.4 provincial law 10/1992). The various provincial offices verify whether the projects comply with the overall strategy of the province (Corte dei Conti 2005).

As for the role of the local action groups, a few interviewees see these organizations as rather weak; interviewee 5 claims that "the LAG is more a group for giving information to people, but at the decision-making level it is not important". However, for the current period 2007–2013, the will is to transform them into centers of competence. In fact, there has been a discussion between the province and the LAGs about these development organizations becoming a centre of regional development that deals not only with LEADER funding, but also INTERREG, the European Social Fund, and other Community funding. In sum, the LAGs are to become a center for planning the rural development of all the sub-regions within the province (interview 29). Compared to other local action groups present in Italy, the LAGS in South Tyrol do not have decision-making or spending power (Corte dei Conti 2005).

The second key theme extracted by the empirical data is that ties between politics and agriculture are quite strong; as the *Südtiroler Bauernbund* is one of the most prominent associations in South Tyrol at the political level, it is no surprise that nine out of ten farmers voted for the *Südtiroler Volkspartei* in the last elections on 26 October 2008, and agriculture is still one of the strongest working groups within the party. The *Südtiroler Volkspartei*, the German-speaking ethnic party, has ruled the province since the end of the Second World War. In the last

elections, even though for the first time the party received less than 50% of the total vote (48.1%), it still has the majority of seats in the provincial council (18 of 35). President Durnwalder started his career in the *Südtiroler Bauernbund* and has been in power since 1989 (almost 20 years); these considerations suggest that farming enjoys a significant position in the development strategies of the political representatives of the province (Südtiroler Bauernbund 2008; Consiglio della Provincia…2008).

The decision to concentrate the current LEADER Programme (2007–2013) on farming instead of rural diversification has sparked a lively debate among the interviewees which can be seen in Debate 4 (Figure 39) of this section. In essence, this decision implies that projects have to include agriculture, and if any other sector wants to be part of a LEADER project, it has to be linked to agriculture. If it is true that agriculture is a vital sector in this province, the other economic sectors, especially handicrafts and tourism, may suffer from this decision.

DEBATE 4

Interviewee 11: LEADER has moved away from handicrafts; it is a bad thing. As a representative of the artisans, I am not happy at all that politicians have not contacted us in their decision to interpret LEADER in a different way. Regional development means to a large extent agriculture. I am far away from politics … I asked the president of the province about this issue and he did not answer me. This is because of the political and social power of agriculture … it is sufficient to look at the provincial elections about 10 days ago … no one from the handicraft sector is present in the provincial council, but there are five from agriculture, perhaps two or three from the economic sector. First agriculture, then the others. We (artisans) have been punished. Of course there is financial help for artisans, but it is not enough.

Interviewee 27: in the difficult working situation of mountain agriculture, subsidies are necessary. Subsidy is a help, but it cannot be the principal factor to keep the farmer there. This is a way to maintain the historical, cultural patrimony which belongs to the mountain … the mountain is not only made of rock, but it also the cultural aspect, experience, knowledge, and taste…

Interviewee 4: Our farms have in general small dimensions. Because of this, they need alternative sources of income which are compatible with agricultural activities. In this regard, it is important in our valleys to support both the agricultural sector and the rural economy.

Interviewee 16: In the LEADER+ period the beneficiaries were many and diverse … farmers, artisans…. for the current period (2007–2013) everything is concentrated on agriculture, and other sectors do not understand why almost everything is concentrated on there … Agriculture receives many subsidies, it is definitely a political question, and even in our area agriculture is a very important sector.

Interviewee 30: I agree that in this current period attention will focus on agriculture. One thing to improve in LEADER is to avoid the dispersion of financial resources; rather, funds should be concentrated on a few projects. Moreover, it is important to guarantee the coherence of local programming with the main rural development plan and give a heavier

weight to the economic and social values of agriculture and forestry. The lack of strong ideas in the agricultural world is a problem that only the bottom-up approach can solve. Considering the growth trends in other economic sectors, this choice appears necessary.

Interviewee 5: I don't agree with the attention to agriculture for this current period, because everything has shifted in the agricultural world, while the other sectors have been somewhat cut off … now the goal is to have big projects, few but bigger. Agriculture is not important from the economic point of view, but to keep beautiful our valleys and mountains.

Interviewee 6: No, we don't agree because Val di Vizze is an economically underdeveloped area, now the projects have to deal with agriculture. Community life is based on agriculture, it is a political question.

Interviewee 7: Partnerships are important because they make agriculture and tourism cooperate; this is the idea of our provincial councillor. In the past years the agricultural sector was on one side, and tourism on the other side. Now our councillor wants to combine them … It is a political decision, if this LEADER Programme focuses only on agriculture…

Interviewee 8: for the small farmers it has become difficult to earn a living; that is why agriculture and tourism have to be together.

Interviewee 13: the agricultural sector largely benefits from the various financing from the EU and the province. It is not a bad thing, because it is the farmers who are still there to sustain our culture …. on the one hand, it is very positive that the agricultural sector receives financial help from the province and the EU, on the other hand, in all the South Tyrol farmers do something only if they receive subsidies … the province also tells us that for the current period these are the measures which we have to develop, and nothing else, and this is a problem, because the areas of the local action group are quite different, our needs are different from Valle Aurina, here in Val Sarentino tourism is not so developed.

Interviewee 2: I agree that in this current period attention will focus on agriculture. It is important … if the landscape is not taken care of, we risk damage from bad weather, so it is important to keep the landscape in good shape for the residents and the tourists. In Trentino [the nearby autonomous province] there were no benefits for the mountain agriculture, and you can see the negative effects now. But here we have done a much better job, there was criticism of the province building roads to every farm, but people remain on the farms … if they do not remain, problems will be even bigger.

Figure 39: Inclusion of agriculture within the LEADER Programme in South Tyrol

A few interviewees clearly remark on how "agriculture is a political question". Another key issue emerging from the above debate is the delicate position of mountain agriculture, characterized by small farming. Most interviewees agree that subsidies are necessary; this is because mountain agriculture has a multi-functional role and is thus perceived as important for a variety of reasons. One relevant factor is to take care of the aesthetic value of the agricultural landscape, both for attracting tourists to the territory as well as for the residents; at the same time the goal is to prevent damage from bad weather, including avalanches and/or landslides, for example. Another factor that according to the interviewees justifies the need for subsidies is the cultural aspect, which is the basis of the South Tyrolese society. The cultural dimension includes quality,

experience, knowledge and taste. An interviewee has also pointed out the fact that focusing on agriculture makes the LEADER Programme coherent with the main rural development plan. Finally, it is suggested that the LEADER participatory method is a very important tool for increasing the possibilities of survival for small mountain agriculture; in this regard, LEADER allows and encourages an even closer cooperation with tourism. At the provincial level, it is significant that the current provincial councillor for agriculture also has the task of the dealing with tourism (*Assessore al turismo e all´agricoltura*). According to Tappeiner (Provincia Autonoma di Bolzano 2007c, 371), "tourism without agriculture is not sustainable, neither from an economic point of view or an ecological one. This is particularly evident if compared with the situation in the eastern and western Alps, both in Italy and France".

In sum, agriculture in this province can essentially be defined as a social, economic, and cultural system well-rooted in the territory. Beyond agriculture, the change in strategy concerning the LEADER Programme for the period 2007–2013 by the province of Bolzano/Bozen must also be read within the overall changes that have affected regional policy both at the EU and at the national level. According to a civil servant of the province (interview 29), in the current period 2007–2013 one needs to balance the gaps created by the lack of Objective 2 and LEADER+; in both of these programmes the province was able to intervene in rural areas. Nowadays in contrast, Axis 4, LEADER, is focused on agriculture and forestry, while the new Objective 2, called the Competitiveness and Employment Objective, does not seek to target rural areas anymore; as a result, for the purpose of rural areas the Fund for Underdeveloped Areas (FAS or *Fondo Aree Sottoutilizzate*) is used, which, similarly to LEADER, is also partnership-based.

8 Discussion and Conclusions

8.1 THEORETICAL ABSTRACTIONS

The main goal of this study has been to provide and elaborate new insights on the co-evolutionary role of agriculture and rural development in different regional contexts, namely in North Karelia, Finland, and in South Tyrol, Italy. By the means of grounded theory methodology, comparative methodology, and discourse analysis methodology, perceptions and governing structures of the 'rural' – envisioned as a hybrid, ambiguous, and networked space – have been elicited by interpreting the dynamics of interaction between agency, structure, and social chance through time. On the basis of this 'interpretivist' ontology and methodology, the generation of empirical data has been conducted both historically and in the contemporary era.

The multi-causal knowledge produced by the empirical data is dependent on, and at the same time inclusive of the historical, cultural and socio-economic institutional context of North Karelia and South Tyrol. Although both case studies have experienced to a varying degree processes of deagrarianization, modes of agricultural production and rural development – as well as their co-evolution – have taken fairly different paths. The region-building processes of the two areas under investigation, including discourses, evolutionary paths of farm structures and the farmers' role in these two societies, have been the key to determining the role and weight of rural development and agriculture.

Similarly to the work by Cruickshank (2009), 'rural' is interpreted in the light of two different discourses. On the one hand, a combination between a post-productivist and modernist discourse, which implies the following issues: firstly, the separation of the rural from agriculture, or in other words, the separation of production from culture; secondly, rurality intended as a traditional society, which is not allowed to change until it becomes non-rural; thirdly, uprooting processes from the territory. On the other hand, 'rural' is interpreted through an 'alternative' discourse, with a strong emphasis on the concept of territory/*terroir*: this is based on regional autonomy and capacity in handling the territory. The prevalence of one of the two discourses has represented a fertile ground for the application of the one-culture theory (dominance of the urban over the rural), or two-culture theory (the rural is able

to compete with the urban, or in Cruickshank's (2006, 186) words, rejection of modernization which contributes to centralization).

Within North Karelia and South Tyrol, as well as their broader national contexts, specific institutions investigated have been government and governance, and how they are related to each other; each case study is characterized by the prevalence of one form of institution over the other, with key implications on the role of sub-politics (or similarly project class), politics, and civil society. Within civil society, specific attention has been given to the role of farmers, as well as to the role of rural developers. The key issue resulting from the investigation of government and governance has been how the two case studies have interpreted representative democracy (politics), and direct democracy (sub-politics). In both North Karelia and South Tyrol, it is assumed that either direct or representative democracy is the most appropriate way of handling rural development. The ideal solution would be a combination of representative and direct democracy; while representative democracy emphasizes the representativeness of citizens, direct democracy gives accessibility to actors who otherwise would not have the possibility to participate in the development of civil society. However, such a combination, at least in the case studies investigated, is rather weak, and one of these two institutions dominate the *modus operandi* of rural development.

In the presence of a stronger political regionalization, the LEADER partnerships implemented have resulted in a more vertical structure than in the case of economic regionalization: the latter occurs when there are pre-existing networks and synergies present in a specific territory, and where the influences of globalization forces as well as their interaction with the local level are stronger. In the case of economic regionalization, the partnerships implemented have shown a more horizontal structure. Based on geographical contingency, LEADER partnerships have taken fairly different forms and scopes of action, with different actors dominating others. Beyond the strengthening of cooperation among rural agents (both social and human), these partnerships have resulted in forms of social exclusion; this exclusion has involved either farmers or other agents participating in the development of the countryside; moreover, such exclusion has either emphasized, or on the contrary, tried to constrain, the action of the public sector (municipalities), and indirectly, the action of representative democracy. Social exclusion has been the result of the various social relations that characterize the interdependent actors of the partnerships under scrutiny, and above all, the result of their power relations, whether horizontal and/or vertical.

In light of critical realism, the empirical data generated by the two case studies, as well as by their broader national contexts, has shown that social structures pre-exist, and therefore they have to be interpreted historically; moreover, these social structures represent a necessary condition for agency, and thus, they are not the deliberate result of it. Furthermore, analytical dualism

has allowed the explanation of the causal interplay between agents and structures; the North Karelia and South Tyrol cases are clearly dominated by specific sets of social structures, which have limited and/or enabled rural agents. At the same time, key human and social agents have had a powerful influence in shaping and guiding the overarching social structures. On the basis of such considerations, the social chance category, both in terms of unpredictable consequences of action, and/or unpredictable consequences of impacts, has not been a relevant factor in the unravelling of the empirical data. In the two case studies, it is both debatable and very difficult to prove that certain events which occurred have been the result of unpredictability. Most phenomena described in this study have not taken place in an institutional vacuum; rather, they have causal links with some form of social structure and/or agency. However, in the case of South Tyrol, such a category has been useful for explaining the partially unpredictable spatial division between the German-speaking group and the Italian-speaking group, which has resulted in the dichotomy Bolzano *versus* the countryside; yet, if compared to social structure, as well as to social and human agents, in this study social chance can be considered a residual category.

A key social structure has been embodied by discourses, intended as practices through which we make our world meaningful to ourselves and to others. Discourses have been so powerful in justifying and legitimizing the action and domination of specific interest groups of actors. They are embedded in institutions, both formal and informal; within the framework of historical, sociological, and rational choice institutionalism, the empirical data have shown that the cultural approach to institutions has been more relevant than the calculus approach; institutions are collective constructions that cannot be determined and/or transformed by a single individual; in contrast, individuals are embedded in their institutional world.

In addition to the theoretical umbrella of critical realism (and its dimensions of agency, structure, and, to a minor extent, social chance), the research aim and questions of this study have been tackled by the frameworks of agricultural and rural geography, which have proven to be complementary. The territory – intended as a physical system and, above all, as a system of social, political, and cultural relations – has been the key platform from which to interpret various criteria of spatial differentiation. These criteria have mainly included the rurality concept, but also regional and local approaches which emphasize a more 'territorial' type of development. These regional and local approaches are more appropriate when discussing territorial physical systems as mountains. Rural geography has been more relevant concerning the North Karelia case study and its broader national context. In such a case, rural geography has a long tradition, and has always had a strong connection with rural development and policy, especially today in respect to geography of food. Since in the Italian context rural geography does not have a well-established tradition, especially compared to Finland, a discipline such as this has been complemented by agricultural

geography, especially its recent cultural turn, where the main developments state that agriculture was not, is not, and will never be a mere economic activity; rather, it has strong cultural and social connotations. While, on the one hand, rural geography emphasizes a more post-productivist approach (particularly separation between agriculture and rural development, and does not include agriculture as a system in the countryside), agricultural geography does not deny productivism, and at the same time, due to the recent acknowledgments of cultural perspectives, fits a more multifunctional agricultural regime, which allows the co-existence of productivist and post-productivist actions and patterns and has stronger bonds to the territory or *terroir*, which in the case of South Tyrol is embodied by mountains. Such territorial bonds of agricultural geography are also important in the discussion of the role and evolution of farm structures.

8.2 NORTH KARELIA: THE POST-PRODUCTIVIST/ MODERNIST DISCOURSE AND DIRECT DEMOCRACY

The first consideration to be made about the North Karelia case study is that its interpretation cannot be detached from the broader national institutional context, which can be viewed as the most powerful social structure influencing this region. Within the framework of agency and structure, one could view the Finnish institutional level as the main social structure, and North Karelia's institutional level as an agent, which in turn has influenced the institutions of the national level. Concerning the main aim of this study, the empirical data suggest the segregation between rural development and agriculture. This segregation – whose roots date back to the structural changes in agriculture in the 1960s and the parallel emergence of village action – started to materialize when Finland planned to join the EU in the 1980s. Until then development policies targeted at rural areas were based on agricultural subsidies and the maintenance of the welfare state, but since the 1980s the newly created rural policy shifted its emphasis to 'entrepreneurship' and 'new resources of livelihood'; above all, responsibility for developing rural areas has been given to local agents. At the same time, the adoption of the Common Agricultural Policy in 1995 has encouraged and accelerated the process of large-scale agriculture. The result has been what we may call the 'squeeze' on small farming.

In spite of the fact that North Karelian farms are quite diversified, the empirical data suggest that agriculture follows a productivist mode of production, focused on the concentration (drastic reduction of small farms and tendency to 'latifundize' agricultural properties), and specialization of production (milk cluster *in primis* but also beef production). The analysis of the regional strategies of the regional council suggests that agriculture is increasingly interpreted through the consumption side of the agricultural/rural

spectrum. Furthermore, farmers in this region have lived in a context of fragility and dependence, both historically and in the contemporary era.

At the level of discourses, the debate on the Finnish and North Karelian rural development is currently devoted more exclusively to the diversification of rural economies. Most high-ranking rural policy-makers and most academics in the field of rural geography, who represent very powerful agents, publicly claim that the separation between agriculture and rural development is a desirable and appropriate option. The underlying assumption is that agriculture is just a business, which could be compared to any other manufacturing activity. In contrast, the literature collected clearly acknowledges, and suggests, as this study also does, that agriculture cannot simply be reduced to an economic activity. The most important reason behind such argumentation is that agriculture intended as a business (especially large-scale agriculture) produces far more harmful than positive effects both on the natural as well as the social environment (for instance, as shown by Van der Ploeg 2008).

Based on the analysis of the LEADER programme, in the North Karelian context the segregation between agriculture and rural development is clear. Very simply, the argument is that "LEADER is not meant for agriculture". Although it is true that LEADER is not meant to subsidize large scale, industrial agriculture, which already receives many subsidies, it is also true that among the objectives of LEADER should also be the goal of encouraging and preserving the small farming present in the country, especially in a region such as North Karelia. In spite of the fact that LEADER in the current period 2007–2013 is part of the Common Agricultural Policy, and as such, should theoretically also promote an integrated approach to farming, and not exclusively to rural economies, Finnish rural policy-makers have decided to handle this programme in the tradition of the national rural development policy: the main characteristics of Finnish rural development policy are, first, the social structures of villages, and, second, sub-politics.

Due to these overarching social structures, the implementation of the LEADER programme has had the goal of promoting 'direct democracy'. In the Finnish context, LEADER is meant for the 'local people'; the category of 'local people' specifically includes rural activists and developers as well as civil servants. To implement 'direct democracy', key national rural policy-making agents have devised a three-partite structure for the local action groups, whose goal has been to avoid the dominance of the 'political' structure, along with its municipal agents. If, on the one hand, 'direct democracy' is capable of involving certain sets of active agents, on the other hand, it tends to exclude, or excludes, other agents. An example of social exclusion is identified at the central level within the rural policy committee, which does not include politicians among its members. A second form of social exclusion concerns those 'passive' villages that lack the entrepreneurial and motivational skills to deal with a complicated and increasingly bureaucratic programme such as LEADER. Another direct

consequence of the dominance of the social structures of villages and sub-politics has been the segregation, or, in the extreme case, the exclusion of farmers from an integrated rural development, at least in the North Karelia case study.

On the basis of the argumentation discussed above, the separation between agriculture and rural development in North Karelia and in its broader national context has developed within post-productivist and modernist discourses. It is paradoxical that even though discourses have a post-agricultural orientation, agricultural production has not yet disappeared and demonstrates characteristics of a productivist mode of production: concentration and specialization. The discourses investigated suggest that rural areas are constructed as a function of urban views; this is due to the fact that 'rural' is not autonomous and is unable to compete with the 'urban'; the views on how to construct and develop the countryside thus come from the 'urban elite'. As such, the one-culture theory can be applied to North Karelia and to a broader extent to the remote rural areas of Finland.

In this region, the combination between post-productivist and modernist discourses is causally linked to the structural weaknesses of agriculture, on the one hand, and the importance of the forestry economy, on the other. Until the end of the 1800s slash-and-burn cultivation was still practiced, especially in eastern North Karelia, where the climate and soil conditions hindered the birth of a wealthy agriculture. It is in this period that the forest became the most important resource in the region, influencing the construction of society and community. The timber boom of the late 1800s was unable to create a strong peasant upper-class as did in southwestern Finland, which could rely on a relatively strong agriculture. Another important issue is that in North Karelia, land distribution and settlement policies have created a substantial degree of land fragmentation, which in turn has led to the establishment of many small farms. The process of decline in the number of farms in this region started after the war and has continued until today. However, as Vihinen (2006, 222–223) has claimed, if Finland had not joined the European Union, changes in the countryside would have not been as deep; upon the introduction of the Common Agricultural Policy, Finnish agricultural policy has narrowed, and has resulted in the fact that since the joining of the EU the number of farms in North Karelia has halved.

The historical marginality of agriculture, compared to the forestry economy and the existence of an economic type of regionalization rather than a political one, explains why today rural development discourses, based on integrated, partnership, and multi-sectoral approaches, have easily taken root in this region. On the basis of Östhol & Svensson (2002) classification of partnerships, in North Karelia partnerships imply a high degree of coordination among different actors; as such, they can be interpreted as strategic partnerships, with new groups and interests gaining ideological ascendency, particularly the lobby

constituted by rural activists and developers. Such groups have been able to successfully implement the structural characteristics of the so-called new rural paradigm, where the diversification of the rural economy and socio-administrative innovation have a long and well-established tradition rooted in the work of the village associations. The LEADER method has found a quite fertile ground in North Karelia's horizontal rural policy setting; its introduction has been favoured by the region's flexible and constantly mutating regional level – recently from new regionalism to network regionalism.

North Karelia is an example of the mixed rural governance model. On the one hand, it is characterized by a constellation of regional and local-level agents who, at different levels, are interlinked with each other. On the other hand, the key player at the regional level is not a truly regional, politically accountable organization; rather, it is the state, through the regional offices of its Centre for Economic Development, Transport and the Environment, which has a dominant role in the horizontal rural policy-setting. The strengths of this power-dispersed horizontal system, based on interdependencies with well-specified duties and goals, are cooperation and compromise (see for instance Rizzo 2007). Nevertheless, the lack of a unitary voice at the regional and/or rural level may varyingly fragment policy responsibilities and, most importantly, lead to the lack of a unitary strategy. The empirical data, for instance, indicates that the regional council, the regional development authority at the intermediate level of government, and the LAG are perceived as two separate bodies, which in fact have fairly different tasks: while the former deals with the broader regional development of North Karelia, in which the Joensuu sub-region is a key, urban player, the latter is meant for the local, grass-roots level. Although the role of the LEADER LAGS is claimed to be 'important' from the analysis of the empirical data, its decision-making is rather weak, since the 'rural voice' is shared by many agencies, most of which are state-led. While Finnish policy-makers at the national level would like to strengthen rural strategies at the regional level, such a task is fairly challenging because it would require an overall reshaping of the intermediate level of government, and for this the state level and the wealthy municipalities are not yet ready.

8.3 SOUTH TYROL: THE ALTERNATIVE DISCOURSE AND REPRESENTATIVE DEMOCRACY

In respect to the main aim of this study, in South Tyrol rural development and agriculture (as well as their co-evolution) have never been separated; rather, they mutually support each other and they are grounded on an alternative discourse based on regional autonomy. In the European Union context, South Tyrol represents a unique case for a simple reason: the countryside is yet able to live an autonomous life separate from the urban center of Bolzano/Bozen.

Although the apparent reason for this success has been the strong political regionalization started in the 1970s, this dichotomy between the countryside and the urban has been chiefly the result of an event of social chance: in a historically German-speaking region, its annexation by Italy after the First World War clearly altered the ethnic equilibria within the region. While the Italian people are mostly located in the urban centers, particularly in the city of Bolzano, the German-speaking group lives its 'autonomous' life in the countryside. Since the provincial government is mostly the expression of the German-speaking group, this factor has inevitably brought relevant attention to the rural areas of the region. The result is therefore the 'two culture theory': urban and the rural compete for power; rural areas have not yet experienced a loss of identity and uprooting, and the binomial culture-nature is able to produce wealth for the province.

At the onset of the 21st century, farmers are still relevant agents from a political, cultural, and social point of view. Society, politics, and policies have approached agriculture not only from a mere economic point of view, but also and above all, emphasizing its high social and cultural relevance. On the basis of Hubbard & Gorton's (2011) research, South Tyrol is an example of agrarian model in which the roots of rural development come from agriculture, in particular the multi-functionality of agriculture. Farming includes the economic point view and, above all, influences society and culture, which in turn are key contributions to the vitality of rural areas. The LEADER+ Programme (2000–2006) created development possibilities for a variety of economic sectors, including agriculture. However, in the current LEADER 2007–2013, this EU method, because of the overarching and powerful structure of agriculture, has led to the exclusion of the other economic sectors. Funding is given to innovative ideas in the agricultural sector, and to other sectors which may have a link with agriculture, such as tourism.

The strength of agriculture has historically revolved around the figure of the *Bauer*. Starting from the fifteenth cenury, South Tyrolese farmers, initially humble people who were exploited and forced merely to survive, became a social class or "state", holders of rights and not just be subjected to the supremacy of the aristocracy. This early practice of self-government gave farmers both a strong consciousness of their own class and a strong link to the territory, which was perceived in their own and not only the property of the earl. This bond contributed to the culture of the *Heimat*, which was at that time still unknown to the majority of European people. The strong bond to the territory has materialized through the implementation of the closed farm, a key social structure which still survives in the contemporary South Tyrolese countryside.

The tripartite structure farmer-territory-*Heimat* is reflected at the political and policy level; present-day South Tyrolese political life, characterized by a relative degree of stability and conservativeness, reflects the family-oriented structure of

the farming sector. If, on the one hand, the emphasis on the agricultural sector (along with its multi-dimensionality) has avoided the human desertification that has characterized most Italian rural alpine contexts (typical examples are the nearby autonomous province of Trentino, as well as the autonomous region of Valle D' Aosta, located on the northwest of the Italian peninsula), on the other hand, this emphasis may undermine the development of other sectors of the local economy, such as the category of artisans. Moreover, the existence of the unique cultural landscape which characterizes the South Tyrolese valleys is highly dependent on generous farming subsidies; it is clear that this substancial financial help will still be in place in this province until the position of farmers is strong in the local cultural, social, and political life.

As a result of these considerations, rural policy-setting in South Tyrol resembles the 'old' paradigm, where the agricultural lobby and interests prevail over the formal arrangements required for the functioning of the LEADER Programme. The South Tyrol "old regionalism" background – pre-established administrative structures, vertical hierarchies, strong regional autonomy – has not favoured the introduction of the LEADER instrument; the sub-politics of the project class cannot compete with the old political class. Similarly to the Italian context (see Ciapetti 2010), negotiated programming is interpreted in two different ways: on the one hand, it is criticized for its bureaucratic burden, and, on the other, it is viewed as a useful laboratory to re-launch a new local dimension of economic policies, centered on making the local ruling class responsible.

On the basis of Östhol & Svensson (2002) classification of partnerships, in South Tyrol partnerships are not characterized by a high degree of horizontal coordination among different actors as in North Karelia; in contrast, they lie between institutional partnerships, since the province endeavours to support such an instrument, and project partnerships, which are short-term organizations that upon fulfilling certain tasks are in the end terminated. Similarly to the Italian context, participatory approaches in South Tyrol do not have solid roots in the public administration, political parties, executive bodies and councils, and they are linked to the personal initiative of representatives of the politico-institutional world, including, in this case, the *Landeshauptmann* and the LEADER coordinator, who represent two very powerful agents.

South Tyrol is an example of a centralized rural governance model where the responsibility for LEADER clearly lies with the provincial authorities; power is mainly exerted by politics, which plays a crucial role not only in the animation of this programme, but also in its coordination and implementation. Thus, representative democracy dominates LEADER, not only concerning the key role of municipalities, but also because of the involvement of the most important and 'representative' private sector organizations, whose responsibility is to channel information about LEADER to its members. Unlike North Karelia, in South Tyrol the vertical concentration of power within the "old" government

structures leads to an inhibition of endogenous and grass-roots level development processes. Because of the overarching structures of politics, direct democracy has for the most part been by-passed in the implementation of LEADER. However, the introduction of new governing structures has led to some embryonic cooperation among rural agents, representing a concrete institutional innovation in the rigid South Tyrolean administrative system. Furthermore, the local action groups in the current period 2007–2013 are on their way to having a relevant role at the local level, since the province has supported the idea of transforming them in centers of expertise which handle different types of funding, not just LEADER, but also INTERREG, and Social Fund, for instance.

The empirical data of this study have contributed to bringing new vitality to the theoretical frameworks of contemporary rural and agricultural geography, on the one hand, and the debate concerning the relation between agency, structure, and social chance on the other. The study can be replicated with the same methodological steps in other case studies; even though the practical outcomes will inevitably differ from South Tyrol and North Karelia due to geographical and temporal variability, the application of substantive theory to the formulation and generation of grounded formal theory leads in one way or another to dominant social structures, which result in the ascendency of specific socio-cultural groups to power. The rurality frameworks employed in this study (post-productivist/modernist, on the one hand, and the alternative discourse based on regional autonomy and *terroir*, on the other) inevitably produce a one-culture theory (in most cases), and rarely, a two-culture one, as in South Tyrol.

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Appendices

APPENDICE 1. LIST OF INTERVIEWEES

Interview	Position of interviewee (FINNISH CASE STUDY)
1	Local Action Group staff (Joensuun Seudun LEADER)
2	Local Action Group staff (Joensuun Seudun LEADER)
3	Rural Researcher (Karelian Institute, University of Joensuu)
4	Rural Researcher (Karelian Institute, University of Joensuu)
5	Rural Researcher (University of Helsinki, Ruralia Institute)
6	High-ranking civil servant (Ministry of Agriculture and Forestry)
7	High-ranking civil servant (Ministry of Agriculture and Forestry)
8	High-ranking civil servant (Ministry of Agriculture and Forestry)
9	Representative of Village Action Association of Finland
10	Representative of Village Action Association of Finland
11	Staff member of the Central Union of Agricultural Producers and Forest Owners (North Karelia)
12	Representative of the Central Union of Agricultural Producers and Forest Owners (North Karelia)
13	Representative of the Central Union of Agricultural Producers and Forest Owners (North Karelia)
14	Representative of the Central Union of Agricultural Producers and Forest Owners (North Karelia)
15	Representative of the Central Union of Agricultural Producers and Forest Owners (North Karelia)
16	Representative of the Central Union of Agricultural Producers and Forest Owners (North Karelia)
17	Rural secretary (Joensuun Seudun LEADER municipality)
18	Rural secretary (Joensuun Seudun LEADER municipality)
19	Rural secretary (Joensuun Seudun LEADER municipality)
20	Regional village coordinator (North Karelia Village Association)
21	Rural entrepreneur (Joensuun Seudun LEADER Board member)
22	Rural entrepreneur (Joensuun Seudun LEADER member)
23	Rural entrepreneur/municipal councillor (Joensuun Seudun LEADER municipality)
24	Village developer (North Karelia Village Association)
25	Village activist (Joensuun Seudun Leader Board member)
26	Project manager (Joensuu municipality)
27	Group interview of 4 civil servants (North Karelia Regional Council)
28	Civil Servant (North Karelian Employment and Development Office)
29	Project planner (Union of Rural Education and Culture – North Karelia)
30	Representative of ProAgria (North Karelia)
31	Local Action Group Staff (Vaara-Karjalan LEADER Ry)

Interview	Position of interviewee (ITALIAN CASE STUDY)
1	Local Action Group Staff (LAG Wipptal/GAL Alta Valle Isarco)
2	Local Action Group Staff (LAG Wipptal/GAL Alta Valle Isarco)
3	Mayor (LAG Wipptal/GAL Alta Valle Isarco)
4	Mayor (LAG Wipptal/GAL Alta Valle Isarco)
5	Mayor (LAG Wipptal/GAL Alta Valle Isarco)
6	Vice-Mayor (LAG Wipptal/GAL Alta Valle Isarco)
7	Representative of Provincial Agricultural Office (LAG Wipptal/GAL Alta Valle Isarco)
8	Representative of Forestry inspectorate (LAG Wipptal/GAL Alta Valle Isarco)
9	Representative of Tourism Association (LAG Wipptal/GAL Alta Valle Isarco)
10	Representative of Tourism Association (LAG Wipptal/GAL Alta Valle Isarco)
11	Representative of Handicrafts Association (LAG Wipptal/GAL Alta Valle Isarco)
12	Local Action Group Staff (LAG Sarntal/GAL Sarentino)
13	Local Action Group Staff (LAG Sarntal/GAL Sarentino)
14	Farmer (LAG Sarntal/GAL Sarentino)
15	Representative of Forestry Inspectorate (LAG Sarntal/GAL Sarentino)
16	Local Action Group Staff (LAG Tauferer Ahrntal/GAL Valli di Tures Aurina)
17	Mayor (LAG Tauferer Ahrntal/GAL Valli di Tures Aurina)
18	Local Action Group Staff (LAG Valsugana)
19	Representative of Chamber of Commerce (LAG Valsugana)
20	Representative of Chamber of Handicrafts (LAG Valsugana)
21	Farmer LEADER recipient (LAG Valsugana)
22	Professor (University of Innsbruck)
23	Professor (University of Trento)
24	Professor (University of Trento)
25	Professor (University of Ca' Foscari)
26	Researcher (National Institute of Agrarian Economy)
27	Representative of Park Office (Autonomous Province of Bolzano/Bozen)
28	High-ranking civil servant (Autonomous Province of Bolzano/Bozen)
29	Civil servant (Autonomous Province of Bolzano/Bozen)
30	Civil servant (Autonomous Province of Bolzano/Bozen)
31	LEADER Coordinator (Autonomous Province of Bolzano/Bozen)

APPENDICE 2. THE QUESTIONNAIRES

FINNISH CASE STUDY

Key Informant's Background

1) Could you please briefly describe your professional background and how you got involved in LEADER?

Joensuun Seudun LEADER/Vaara-Karjalan LEADER and Rural policy governance

2) What are the most important cooperation partners of the LAG?

3) Do you see any overlapping in functions between the LAG and other regional level development organizations?

4) According to a high official at the Ministry of Agriculture and Forestry, the regional councils do not consider the LEADER Programme a part of their system, they are not interested in it as a policy tool. What is your point of view on this statement?

5) How would you define the role of the LAG in Finnish rural policy governance? Do you feel that the main job of this local action group should be just financing projects or have a comprehensive role in rural development?

6) How do you see the relationship between the municipalities and the LAG?

7) Do you have any inter-regional and international cooperation projects?

8) How has the mainstreaming of the EU-based LEADER local partnership fit village work?

Joensuun Seudun LEADER/Vaara-Karjalan LEADER: an Evaluation of its Performance

9) According to the LEADER+ regulations, every local action group board has to be composed by one-third from municipalities, one-third from local organizations, and one-third from local residents. Are you satisfied with this type of partnership structure? If yes, why?

10) Do you find that bureaucracy represents a constraint to the work of the local action group?

11) Are you satisfied on how the LAG has activated ordinary citizens to get involved in the development process of rural areas?

12) From your own personal experience, do you think that the LAG has been capable of solving the problem of social exclusion or has it increasingly polarized the difference between the "winners" and the "losers" in the countryside?

Agricultural policy and rural development

13) What has been the most important change in the structure of agricultural production since joining the EU?

14) What kind of cooperation is there between MTK (Central Union of Agricultural Producers and Forest Owners) and the LEADER LAGS?

15) Are you satisfied with Finnish agricultural policy?

16) Does the current agricultural policy favour only a small number of farms? What is the situation in North Karelia?

17) Currently local action groups receive about 5% of the financing of the national rural development program. Should this percentage be increased or is the amount of funding sufficient under the LEADER program objectives?

18) How do you see the relationship between the agricultural sector and Programmes like LEADER, which emphasize innovative and integrated rural development?

ITALIAN CASE STUDY

Background dell' intervistato/a

1) Potrebbe descrivere brevemente il suo background professionale?

2) Qual è la sua esperienza professionale riguardante il metodo LEADER?

Gruppi di Azione Locale LEADER e Politica Rurale (livello nazionale)

3) Il Ministero delle Politiche Agricole Alimentari e Forestali ha un ruolo di coordinazione della politica rurale italiana. Quali sono i maggiori vantaggi? E le principali difficoltà?

4) Qual è il suo giudizio su chi sostiene che la politica rurale in Italia è frammentata?

5) Come definirebbe il ruolo dei Gruppi di Azione Locale nell' ambito della politica rurale nazionale e come questo ruolo è si evoluto dall' introduzione del Programma LEADER in Italia?

6) Quali sono stati i maggiori benefici nell' implementazione dell' Unità di Animazione riguardante l' iniziativa LEADER+? Quali sono state invece le maggiori carenze?

7) Nella nuova programmazione LEADER 2007–2013, l' attenzione si concentrerà sul settore agricolo anziché sulla diversificazione dell' economia rurale come in precedenza. È d' accordo con questo cambiamento?

8) Secondo Lei, in che misura il Programma LEADER è stato capace di sviluppare e/o rinforzare **il capitale sociale** (inteso come quelle caratteristiche della vita sociale – reti, norme, fiducia – che mettono in grado i partecipanti di agire più efficacemente nel perseguimento di obiettivi condivisi, in questo caso uno sviluppo rurale endogeno ed innovativo)?

9) In che misura la politica ha influenzato l' introduzione ed esecuzione del Programma LEADER nella formazione dei Gruppi di Azione Locale?

10) Come giudica l'approccio al Programma LEADER da parte delle Provincie Autonome di Trento e di Bolzano e dei loro rispettivi Gruppi di Azione Locale?

11) Secondo Lei, le Regioni Italiane hanno capito l'importanza dello strumento LEADER?

12) Secondo Lei, in che misura la performance dei Gruppi di Azione Locale in Italia può essere correlata alle diversità geografica (mi riferisco in particolare al divario Nord-Sud)?

Gruppi di Azione Locale LEADER e Politica Rurale (livello locale)

13) Quali sono i principali attori rurali (sia pubblici che privati), che dominano la scena nelle aree rurali sudtirolesi, e come hanno reagito al metodo LEADER?

14) Come definirebbe il ruolo dei Gruppi di Azione Locale nell' ambito della politica rurale provinciale e come questo ruolo è si evoluto dall' introduzione del Programma LEADER nella Provincia?

15) In che misura la politica ha influenzato l' introduzione ed esecuzione del Programma LEADER nella formazione dei Gruppi di Azione Locale Sudtirolesi?

16) Come giudica la decisione della Provincia di Bolzano di accentrare l' attività di coordinamento e animazione del programma LEADER nella figura del Manager Provinciale?

17) È soddisfatto di come i GAL del Sud Tirolo sono riusciti ad attivare i comuni cittadini nel processo di sviluppo delle aree rurali?

18) Nella nuova programmazione LEADER 2007–2013, l' attenzione si concentrerà sul settore agricolo anziché sulla diversificazione dell' economia rurale come in precedenza. È d' accordo con questo cambiamento?

Fulvio Rizzo

Co-evolution of Agriculture and Rural Development in Different Regional Institutional Contexts

Academics, policy-makers, and politicians are increasingly concerned both about the coherence of agricultural and rural development policies, and about the links between agriculture and rural economies. Within the context of a hybrid and ambiguous rural space, the main goal of this study is to elaborate new insights on the co-evolutionary role of agriculture and rural development in different regional institutional contexts, namely in North Karelia, Finland, and in South Tyrol, Italy.

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