1 - LEADING QUESTIONS

In addition to describing and reflecting on the rural development processes that are currently occurring in China, Brazil and the European Union this article also explicitly discusses the genesis, development and impact of different rural development policies that are associated, in a sometimes uneasy way, with these processes.

We do not aim to directly compare these policies or processes. Although such comparisons might be helpful (and there is considerable “crossbreeding” between the continents), we believe that such a direct comparison would require much decontextualization, which would obscure the way in which most rural development processes and practices are very strongly rooted in the specificities of time and space. Instead we will focus on the following set of questions:

– Why is it that, since the mid 1990s, rural development policies have been formulated, implemented and provided with considerable resources in widely differing socio-political settings? Is this mere coincidence? Or are we facing a “structural” phenomenon that reflects extensive and pervasive changes in needs and expectations (and in underlying societal patterns)?

– How can we explain the paradox that rural development policies, although almost always accompanied by eloquent statements and policy outlines, seem to be rather vague and lack specificity? And why is rural development policy part of a somewhat uneasy mar-

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1 As Laurent van Depoele observed during the above-mentioned seminar “there is no clear definition of rural development within the European Union”.

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riage of conventional agrarian policies and a newly emerging paradigm of rural development?

– Regardless of the many differences in context, what are the main similarities of the three different sets of rural development policies? And, associated with this, what are the specific rural development processes that are being developed in the field? And, what are the interrelations between these policies and processes?

– Is it possible to explain why the combination of policy and practice has a considerably different impact – not only between the different continents, but also within the individual territories (as is the case in different regions of Brazil such as Rio Grande do Sul and the North East of Brazil).

– And finally, notwithstanding these differentiated impacts, can we identify elements that hold promise for loosening the stifling stranglehold that the multidimensional crisis currently has on world agriculture?

2 - THE SPECIFICITY OF CURRENT RD POLICIES

The current generation of rural development policies sharply differs from previous ones which were mainly limited to developing countries and basically seen as a support mechanism for agricultural modernization. They were often referred to as promoting “integrated rural development” (IRD) which focused on creating the conditions (such as providing credit, seeds and infrastructure) under which farmers could increase production and effectively deliver surpluses to the urban economy (Ellis, Biggs, 2001; Wilkinson, 1986).

The aim of IRD was to – as the title of a famous text book of the time said – “get agriculture moving”. These former rural development policies (especially in the 1960-1980 period) were primarily a mechanism to spur the modernization of agriculture (especially in developing countries). Current rural development policies are distinctively different. They initially emerged in countries with abundantly productive agricultural sectors. They do not aim to foster agricultural growth but, instead they aim at redefining the role of agriculture in society. This is generally accompanied by more or less explicit choices for particular forms of agricultural development. Preference is given to those forms of agricultural development that embrace and support a wide array of societal goals (that range from the maintenance of beautiful landscapes and biodiversity to increasing employment opportunities in rural areas).
The specificity of current RD policies reflects the specific nature of RD practices. At grass root level these RD practices represent a multifaceted rupture of the prevailing trend towards agricultural modernization. Some of the main contrasts between these two trajectories are summarized in Table 1.

**TAB. 1 - Strategic contrasts between the practices of agricultural modernization and those of rural development**

<table>
<thead>
<tr>
<th>Agricultural modernization</th>
<th>Rural development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialization</td>
<td>Multifunctionality</td>
</tr>
<tr>
<td>High dependency on agro-industrial inputs and credit</td>
<td>Low external input agriculture</td>
</tr>
<tr>
<td>Ongoing scale increase and reduction of rural labour force</td>
<td>Maintenance or even increase of population economically active in agriculture</td>
</tr>
<tr>
<td>Spatial concentration in favoured areas</td>
<td>Widely practised (and especially in “less favoured areas”)</td>
</tr>
<tr>
<td>Ongoing extension, in time and space, of food circuits</td>
<td>Shortening and localizing of food circuits</td>
</tr>
<tr>
<td>Centrality of capital</td>
<td>Centrality of labour</td>
</tr>
</tbody>
</table>

Current RD policies have to deal, in one way or another, with these new emerging practices that are seeking to reshape considerable parts of the countryside. In doing so, these policies have to be articulated with the many actors involved in these practices – and reflect, even if only partially, their interests, concerns and visions. That makes current RD policies fundamentally different from earlier policies that were basically vehicles for promoting agricultural modernization. This applies even when, for reasons of institutional continuity or inertia (or both), this basic difference is not made explicit.

Finally, rural development increasingly focuses on generating and sustaining new circuits of reproduction that allow farming and food production to continue under the, currently, highly adverse market relations. This last element has been considerably strengthened during the recent food crisis, suggesting an increasing recognition that the main agricultural and food markets no longer, in themselves, can offer a guarantee for sustaining the future of farming.
3 - THE OBJECTIVES OF CURRENT RD POLICIES

Rural development processes and policies emerge from specific and highly different backgrounds. They often reflect different and contrasting objectives, situations and dynamics. Nonetheless, underlying these different objectives there are some important commonalities. Figure 1 summarizes the different sets of objectives that can be found in three different regions. European rural development policies and associated practices have a strong focus on safeguarding the positive externalities that were once, almost automatically, associated with agriculture but which are now often under great pressure. They include the maintenance of attractive landscapes, the protection, if not further unfolding, of biodiversity, the improvement of accessibility, environmental quality (especially of natural resources), animal welfare, an improvement in food quality and a general increase in the quality of life in rural areas. While such goals also inform Rd policies and processes in China and Brazil (particularly in terms of the improvement of village life and increasing the supply of agroecological food), they are tempered by other concerns, particularly related to maintaining family farming and improving the economic status of peasants. The pre-eminence of policies designed to remedy market failure raises the very real concern that the logic of the main agricultural and food markets might be counter to the continued maintenance of such positive externalities.

FIG. 1 - Different sets of Rd objectives

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2 We do not use RD as a descriptive term to simply summarize what is occurring in the countryside. Rd policies (and practices) are goal-oriented. They are normative in the sense that they seek to support or strengthen particular developmental tendencies. As such they are also an object of contestation.
In Brazil the gravitational centre of RD policies and practices lies in the long-lasting struggle against poverty and inequalities (Navarro, 2001). Although similar features can be found in China and the European Union (the Eu’s cohesion policy is closely aligned to its RD policy and seeks to address inequalities within the EU), these objectives are especially important in Brazil, where poverty is widespread and where there are extreme contrasts and tensions between large-scale export-oriented farming and small-scale family farming. The centrality of these objectives in Brazilian RD policies and practices also reflects the engagement of social movements in these struggles and in shaping RD policy. Experience has shown that, left uncorrected, the major agricultural and food markets (soybeans, meat, bio-energy) do little to reduce poverty and inequality and tend to strengthen and reinforce them (Schneider, 2007).

RD in China aims to defend and to develop peasant farming. China’s RD policy aims to sustain and strengthen a very large and heterogeneous agricultural sector that is embedded in a (market) context that increasingly threatens its future reproduction. Urban labour markets are currently attracting millions from the rural labour force and could, in the end, very well drain the rural economy and provoke a demise of farming (as has occurred in many other developing countries) and a disintegration of rural society (Ye, Pan, 2011). China’s accession to the WTO could imply a similar danger: undermining Chinese agriculture by imports of cheap commodities. The government seems keen to avoid this: at the end of 2005, the Fifth Plenary Session of the 16th Congress of the Communist Party of China (CPC) officially set the goal of building a “new socialist countryside” in which agriculture will provide the food needed by the Chinese population. Equally important in policy planning is the notion of “harmony”: of developing harmonious relations between town and countryside and between agriculture and industry. This implies avoiding major tensions and inequalities between these sectors.

3 In the Salzburg Conference (the Second European Conference on Rural Development) the issue of poverty alleviation received considerable attention. See Bryden, 2003.

4 In doing so the current RD policy builds on the earlier “three nong” (or sannong) policy. The three “nong” are: nongmin (peasants) nongye (agriculture) and noncun (countryside). A focus on the “three nong” implies that the living conditions of peasants, the productivity of agriculture and the strength and quality of the rural economy and the rural society are to be improved simultaneously and in an integrated way. Unlike other countries where RD policy might be segmented into different policy approaches this shows a recognition that RD should be treated as an all-embracing issue (see also Ye, Rao and Wu, this issue).
A first common feature of these RD policies and practices is that they are emerging as responses to the difficulties raised by the workings of the main agricultural and food markets (or as responses to what economists refer to as major “market failures”). It is becoming increasingly evident that the main agricultural and food markets have a tendency to destroy positive externalities, are unable to address poverty and major inequalities and/or are not capable of reproducing farming. As Mazoyer and Roudart argue: «for the immense majority of the world’s peasants, the international prices of basic food products are far too low for them to support themselves and renew their means of production, much less allow them to invest and grow» (2006, p. 14). Consequently, RD is emerging as a way of correcting the frictions between the economy on one hand and society and ecology on the other. In this respect RD policies are goal-oriented and seek to go beyond, or to correct, the logic of the main agricultural and food markets.

A second commonly shared feature regards the “fluidity” of RD objectives. RD policy objectives seem to be, at first sight, somewhat slippery. RD processes and policies usually start out with relatively focused objectives, but these often shift or seek ways of moving between and incorporating new and broader goals. For example in Europe the goal of maintaining positive externalities is increasingly being translated into policies and processes that seek to maintain, if not strengthen, family farming. This also helps to counteract rising poverty in some specific (“less-favoured”) areas. In Brazil the struggle against poverty and inequality has led to attempts to strengthen sustainable forms of family farming. This in turn translates into considerable benefits in terms of slowing or reversing deforestation and global warming and improving food security (Schneider, Shiki and Belik, this issue). In China the actively constructed defence of family farming is beginning to translate into phenomena such as agro-tourism, which provides new sources of income and employment opportunities and incentives to maintain and enhance environmental attributes.

This does not imply, of course, that RD processes and policies are fragile phenomena. Admittedly, there are still many problems to be addressed and large gaps exist between rhetoric and practice. The essential point, though, is that the objectives (especially the implicit ones) of

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5 With the worldwide economic crisis and the associated agricultural crisis this latter feature has also become an important element in Europe and Brazil (van der Ploeg, 2010).

6 Whenever major frictions emerge between economy and ecology and/or economy and society, the State has a legitimate role in intervening and making adjustments.
Rural development reconsidered: building on comparative perspectives 169

RD are increasingly expanding and embracing increasingly larger domains related to agriculture, food production and the countryside. They are becoming many-sided and multi-level responses to market-failures.

A third commonality is related to the modus operandi of current RD policies and practices. On the one hand it is increasingly clear that the uncorrected (‘undisturbed’ as neo-classical economists would say) performance of agricultural, food and factor markets results in a wide, though variable, range of consequences that many societies are unwilling to accept. Yet at the same time, it is equally clear that the processes of globalization and liberalization that are driving these changes exclude the possibility of intervening in these markets – and make such interventions materially impossible. This basic contradiction explains the particular modus operandi of RD processes which seek to redefine and to reorient the development of the countryside (agriculture being understood as part of it) through the development of new, nested markets. These objectives are being pursued by a combination of traditional accompanying measures (once the classical instruments of agrarian policy) such as extension, legislation, land reform and credit, together with measures that relate to far broader policy domains. These include the introduction of pensions for peasants and rural workers in Brazil and low cost medical insurance for peasants in China and are turning out to be extremely effective. They liberate enormous amounts of savings, previously kept in the households to face old age and/or medical expenses, which are now invested in agricultural or in the rural economy.

4 - THE MODUS OPERANDI OF CURRENT RD POLICIES

The new markets that are emerging to support RD processes are nested in wider markets. They are segments of wider (more global) markets; within these segments the specificities of place, product, sup-

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7 This is clearly reflected in the following three articles on RD in the EU, Brazil and China. In all three continents there is a clear periodization of RD policies, in which every new stage builds upon and extends the previous stages.

8 Analytically speaking this comes down to a mix of the following elements: (a) the construction of new connections between existing markets, (b) the creation of new markets and (c) the development of new governance structures for both existing and new markets. In Brazil and the EU there is less emphasis on interventions in existing markets, largely due to the dominance of neo-liberal frameworks and associated international agreements. It should be noted that the creation of new connections between already existing market circuits has historically been associated with the creation of new wealth and the acceleration of development (Barth, 1967; Long, 1977). The same applies to the creation of new markets.
pliers, consumers and/or networks provide room for distinguishably different price levels, extra trade, lower transaction costs, specific connections and/or a different distribution of value added. Direct selling, for instance, occurs through a range of nested markets: on-farm shops, farmers’ markets, co-operative retailing by farmers, subscription systems, box schemes, etc\(^9\). What these nested markets have in common is that they are embedded in (and delineated by) a mutual understanding and agreement between producers and consumers on product attributes (e.g. freshness, authenticity, etc). They often imply lower prices for consumers (compared to supermarkets), whilst farmers receive higher prices. The price differentials can be considerable. From an infrastructural point of view these nested markets also differ distinctly from the main markets: food is routed in completely different ways (short vs. long distances; decentralized and flexible distribution patterns vs. highly centralized and rigid patterns; etc).

Specific marketing circuits such as these are evidently “nested” in the general market for food products. At the same time, however, they delineate specific segments (or nested markets). Their governance differs considerably from that of the general markets. Hence, nested markets imply boundaries – and although these are permeable they delineate a space in which alternative relations, tendencies, identities and transactions can be constructed\(^{10}\).

Building on previous debates in economic sociology and anthropology, Shanin (1973) noted that «the term market may mean two different things». On the one hand the market is «the place where people meet off-and-on at predefined times to exchange goods by bargaining» (p. 73). These market places were, and are, loosely (and sometimes strongly) embedded in villages and rural communities. Together they form an archipelago of dispersed but interconnected markets that are sometimes hierarchically ordered through middlemen and large traders (see e.g. Chayanov’s discussion of the Russian bazaars). At the same time they are also articulated, through a variety of mechanisms, with agro-export sectors that directly link parts of local production to international markets. On the other hand, there are market relations, i.e. the «institutionalized system of organising the economy by a more or less free interplay of supply, demand and prices of goods» (p. 74).

\(^9\) There is an overwhelming literature on such short agro-food circuits. An excellent overview is given in Brunori et al., 2009.

\(^{10}\) This is also particularly notable in some of the well-documented cases of longstanding, well-established markets (e.g. for Chianina meat or for Parmigiano-Reggiano cheese). See van der Meulen, 2000; Ventura, 1995; Ventura and van der Meulen, 1994; (respectively de Roest, 2000).
Shanin (1973) observed that «these two [market places and market relations] represent not just two distinctive concepts but also two social realities which more or less contradict each other» (p. 74).

In this special issue we will follow Shanin by focusing on newly emerging, nested markets as specific places where specific transactions take place between specific suppliers and specific consumers. These producers and consumers are linked through specific networks and commonly shared frames of reference. The social relations between the actors and the governance structures they adopt are not merely of economic value to them (see Furubotn, Richter, 2005); nested markets often emerge out of (as much as they are an expression of) resistance to the relations that dominate the general food markets. All this implies that the transactions that take place in these nested markets are embedded in specific, albeit many-sided, frameworks. They also offer specific advantages to the producers and consumers involved; providing a level of reciprocity. Together, the specificities of place, product and network (especially when knit together into a coherent whole) compose a nested market. It is important to note that these newly emerging markets have several specific and relatively new features. Firstly they are embedded (or nested) in normative frameworks (and associated forms of governance) which are rooted in the social movements, institutional frameworks and/or policy programmes out of which they emerge. In other words, they are not anonymous markets (Abramovay, 2004; Schneider, 2007). Rather, they are markets with a particular focus (sometimes underpinned by a specific brand, or a specific quality definition, or by relations of solidarity, or specific policy objectives). Secondly, these markets are often related to, if not grounded upon, local and regional resources and the regional market is often an important, though far from exclusive, outlet. Thirdly, these markets (in all three territories) are often supported by state agencies and involve the redistribution of resources in order to achieve specific objectives (or avoid undesirable outcomes). This is a significant departure from earlier types of market intervention. Finally, multifunctionality (at both the enterprise and regional levels) is often an important feature. The different new markets are often interlinked through the multifunctional nature of the participating rural enterprises.

In Europe the general agricultural and food markets have resulted in a far reaching spatial redistribution of farming over recent decades. Production has become concentrated in specific growth poles (where production has become highly intensified), whilst large areas have suffered from marginalisation and, sometimes, social and ecological deser-
ification. The quality of life in rural areas has been degraded, albeit in
different ways, in both the growth poles and the hinterlands. It has
proved difficult to create acceptable levels of sustainability and secure
food safety – the “market” itself did not deliver them in a self-evident
way. On the other hand, European society increasingly views the coun-
tryside as a “space for consumption” a concept that was explicitly ex-
At the same time many new markets have emerged: for agro-tourism
services, care facilities, nature and landscape preservation, regional spe-
cialties, bio-energy, etc. The resistance strategies of farmers, small busi-
nessmen, shopkeepers, etc., often play an important role in the con-
struction of these markets. Equally, people in the countryside are es-

tablishing new connections between existing markets, through their pat-
terns of pluriactivity, through on-farm processing and direct marketing
as well as through establishing new connections with the main markets
for the factors of production and non-factor inputs (for example through
the development of low external input agriculture). Regional programmes
for rural development, such as RegionAktiv in Germany and Proder in
Spain, as well as the pan-European LEADER scheme, have made signif-
ificant contributions in driving such changes (O’Connor et al., 2006). Re-
cent studies estimate that these new markets (and new connections with
existing markets) provide the farming population with almost as much
income as they derive from conventional agricultural commodity pro-
duction (van der Ploeg et al., 2002). Thus rural development contributes,
in a significant way, to poverty alleviation (or to the avoidance of poverty)
as well as to the creation of social and territorial cohesion.

In China the introduction of the Household Responsibility System
has triggered the formation of markets that have allowed for an im-
pressive and sustained growth of food production over the last 5 decades
– which has had a significant impact in reducing poverty (Long, Ye,
Wang, 2010). At the same time, it is becoming quite clear that a fur-
ther liberalization of the labour market could provoke a major imbal-
ance (just as it is now clear that earlier forms of agrarian growth left a
huge heritage of ecological damage). The potential dangers of such dis-
equilibria are being countered by a policy for rural development in
which the notion of “harmonious development” is central. This has
been partly realized through the introduction of new markets (formerly
through the creation of TVE and currently through the delineation of
new tenure rights on land) and partly through a redesigned embedding
of existing markets (e.g. the elimination of all taxes on agriculture). In-
terestingly enough, China is also experiencing the emergence of mar-
kets once considered to be specific to Europe, including growing demand for organic products and for agro-tourism services.

In Brazil the logics of the global markets for agricultural commodities (soy being a telling *pars pro toto*) and the associated markets for land, labour and capital, have for a long time been exerting strong downward pressure on rural employment (and also indirectly contributing to the misery in the *favelas*)\(^\text{11}\), marginalizing family farming and driving rapid deforestation. These pressures have led to the development of strong social movements that claim access to land (*Movimento dos Sem Terra*), aim to strengthen family farming (through *CONTAG*, the National Confederation of Farm Workers and *FETRAF*, the National Federation of Family Farmers, all of which are strongly supported by the Catholic Church) and/or aim to defend ecology and sustainability (e.g. the As-PTA peasant union). During the last 15 years the pressures exerted by these groups have shaped the emergence of policies for rural development (Schneider and Niederle, 2010). Major aspects of RD policy in Brazil include land reform (which is seen as a way of removing monopolies in the land market), the introduction of agro-ecology (which provides new connections between farming and input markets, as is the case with low external input farming in Europe), and massive food programmes to alleviate both urban and rural poverty (and which are structured in such a way that they create new markets for peasants and family farmers).

To summarize: the particular conjuncture out of which rural development processes and policies emerge (failing markets and a political setting thatfavours liberalization) tends to influence the shape they take and the path that they follow. Generally RD processes (and parts of RD policies) focus on creating new markets\(^\text{12}\) and/or the consolidation of “classical” markets such as vegetable markets in many small, medium and large cities. These markets are often built on proximity and freshness and are characterized by easy access. The creation of new markets (and the consolidation of existing ones) might involve the development of new products and services; the creation of new circuits and new transactional mechanisms (in short: new connections) or can

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\(^{11}\) Through, partly forced, migration processes more than 30 million people moved to the *favelas* from the countryside between 1970 and 1990.

\(^{12}\) Consequently, RD is also about the actors engaged in the construction of such new markets, the products and services that are involved, as well as the policies that facilitate or hinder the construction of new markets. This also involves social struggles, since the creation of new markets and new governance structures usually implies a reshuffling of vested interests and opportunities. In this text we emphasize the element of new markets. Firstly because we think this element is central and, secondly, because it not been sufficiently scrutinized in analyses of RD processes.
involve new ways of linking different markets. These new markets (and new connections) are embedded normatively (through for example, a new understanding between producers and consumers on what quality means) and/or politically. In the latter case this involves accompanying policies that do not directly intervene in markets but which ensure their “proper functioning”. These changes lead to the emergence of new actors and new market agencies. Often these changes are a response to the exclusion that results from the mainstream agricultural and food markets\textsuperscript{13}; they often provide practical vehicles for including people in new and or reconfigured market circuits.

The dominant, neo-classical view of markets that views them as an “abstract system that relates abstract demand and supply and thus creates equilibriums and price levels” is not very helpful for understanding these new markets. It is only when markets are conceptualized as “concrete places where concrete transactions take place that involve concrete products, concrete producers, concrete consumers, and concrete frames of reference”\textsuperscript{14} that one can understand the factors underlying the emergence of new markets.

The social construction of new markets is a central theme in this special issue. Their construction is an expression of the many, often contradictory and frequently misunderstood, social struggles that are currently taking place in the countryside and/or at the interface of the urban and the rural. Of course, markets have always been important arenas for rural struggles, but until recently such struggles only aimed at improving the terms of trade. The market as such (i.e. the social organization of circulation) was taken for granted. However, what is currently occurring goes far beyond mere bargaining – even though it may still aim at improving the terms of trade. New roles and positions are being created, new relations and new circuits are being developed and new and commonly shared definitions are being elaborated (North, 1990). In short: the market (or at least some parts of it) is being repatterned. New spaces, that allow for distinguishably different transactions (re. Shanin) are being actively constructed\textsuperscript{15}. One of the consequences is that social struggles in the market are not temporary phenomena – they are becoming permanent, albeit continuously evolving, phenomena.

\textsuperscript{13} This is again an important difference with the previous generation of RD policies that promoted the modernization of agriculture.

\textsuperscript{14} This is the substantivist or neo-institutional approach as opposed to the neo-classical or formalist approach (see Milone, 2009).

\textsuperscript{15} Together with the repatterning of circulation processes, the sphere of production is often transformed as well (following the lines schematically summarized in Tab. 1).
We strongly believe that a critical analysis of the newly emerging markets (and the systematic comparison with the wider markets in which they are embedded) will help to show the strength of current rural development processes. Following Bernstein (2010) we have tried to schematically illustrate this in Table 2.

### Tab. 2 - A schematic comparison of the general agricultural and food markets and the newly emerging markets

<table>
<thead>
<tr>
<th></th>
<th>General agricultural and food markets</th>
<th>Newly emerging markets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who owns what?</strong></td>
<td>Most linkages between production, processing, distribution and consumption of food are controlled by food empires</td>
<td>Short circuits are interlinking the production and consumption of food. These short circuits are owned or co-owned by farmers</td>
</tr>
<tr>
<td><strong>Who does what?</strong></td>
<td>The role of farmers is limited to the delivery of raw materials for the food industry</td>
<td>The role of farmers is extended to embrace on-farm processing, direct selling and the redesign of production processes that better meet consumer expectations</td>
</tr>
<tr>
<td><strong>Who gets what?</strong></td>
<td>The distribution of Value Added is highly skewed; most wealth is accumulated in food empires</td>
<td>Farmers get a far higher share of the total Value Added</td>
</tr>
<tr>
<td><strong>What is done with the surpluses?</strong></td>
<td>Accumulated wealth is used to finance the ongoing imperial conquest (take-over of other enterprises, etc)</td>
<td>Extra income is used to increase the resilience of food production, to strengthen multifunctional farming and to improve livelihoods</td>
</tr>
</tbody>
</table>

Of course real life situations are far more fuzzy than suggested in Table 2. Nonetheless, as an analytical tool Table 2 is helpful in analyzing complex and contradictory realities. The articles in this Special Issue explore in some depth the different ways in which these new nested markets are being constructed. By way of introduction to the topic Table 3 provides an overview of the different mechanisms underlying the creation and expansion of these new nested markets.
The basic mechanisms underlying the creation of new markets

1) De-monopolization of existing markets, creating access for farmers and farmers’ collectives (e.g. markets for nature, landscape preservation and energy in Europe; markets for land, credit and technical assistance in Brazil).

2) Construction of new products and services: regional specialties, high quality products, organic products, care facilities, agro-tourism facilities (the latter are highly developed in Europe and China but which are now also emerging in Brazil) and the simultaneous creation of new markets for their circulation and distribution.

3) De-connecting farming from markets on the input side (replacing external inputs by internal inputs. This is highly developed in Europe, where it is known as “farming economically”, and in Brazil where it is the outcome of the agro-ecological movements).

4) Connecting previously unconnected spheres of circulation through the creation of new circuits (this specific mechanism is strongly developed in Brazil where the provision of school meals is linked to local peasant producers; in Europe there are some experiences with public procurement and with town-countryside alliances like solidarity groups in Spain and Italy).

5) Connecting different markets through multifunctionality, which strongly improves the position of farms within commodity markets and tends to create considerable synergy (widely evident in Europe but also present in China through e.g. the circularity that links agriculture and non-agricultural sectors).

5 - THE COMPETITIVENESS OF NEW, NESTED MARKETS

Polman et al. (this issue) show how the analysis of the newly emerging nested markets might be supported, by elaborating on the notion of “common pool resources” (Ostrom, 1990). This concept is of critical importance for the potential of nested markets for creating and maintaining long term competitiveness.

Theoretically, one can argue that the new nested markets are grounded on different types of common pool resources (CPRs). An asentamento in Brazil is a CPR built on collective agency in order to convert unproductive lands into a new source of food production, employment and income generation (Cabello Norder, 2004). It is also a CPR in so far as it sustains and extends agricultural production through reciprocity and through new networks that link the countryside with the cities. Some rural villages in China combine specializing in a specific high quality product (such as organic apples) whilst maintaining autonomy through a well developed self-sufficiency. This requires internal regulation of resource flows through multiple and reciprocal mechanisms: as such these villages also embody CPRs. The same ap-
plies (as argued in Polman et al., this issue) to new high quality products and services emerging from RD processes in Europe. The knowledge, skills, techniques and networks needed to convert specific ecological conditions and specific natural resources into a valuable high quality product are CPRs. The same applies to the benchmarking and internal regulation that sustain and guarantee this quality: they are CPRs. They are commonly owned and they represent something that “others” (e.g. food empires; see van der Ploeg 2008) cannot deliver, because they are rooted in the specific capacities, skills and networks that are exclusive to the involved farmers and other participants in the network.

CPRs create and delineate nested markets. They also form a major line of defence. Well-developed CPRs (that reflect and sustain the quality of products and services and the unique modalities of delivery) define, maintain and further strengthen the competitiveness of nested markets within the wider markets in which they are embedded. In synthesis: A CPR is the set of capabilities and rules for governance and exchange that makes a specific nested market and which gives it a particular strength vis-à-vis food empires.

In this Special Issue we build on the original work of Eleanor Ostrom and explore a particular frontier of it. While Ostrom analyzes how particular “upstream” assets (mountain pastures, water, forests, common lands) are made into CPRs, we focus on “downstream” assets (specific products or services and the systems of rules in which they are embedded) and how these are made into CPRs. Ostrom herself pointed out that her findings could have a more general use and application and explicitly referred to «collective action related to providing small-scale collective goods [or] local public goods” (Ostrom, 1990, p. 27).

6 - THE VAGUENESS AND AMBIGUITY OF RD POLICIES

Rural development is a set of strategies to redress (or go beyond) agricultural markets that are not functioning or doing so badly. It does so in the face of the reification of such markets in which any intervention is unthinkable. Hence, rural development policies are, in a way, “undercover operations”. This partly explains the vagueness of their objectives: ironically, such vagueness is, in a way, a constituent element of their strength and persistence. It allows societal needs and expectations to be translated into new (and previously unknown) mechanisms that affect the governance of complex areas (such as the countryside
and food production) which were previously mostly governed through markets and associated market-policies.\(^{16}\)

The vagueness of rural development policies also has institutional roots. Whilst rural development represents an important paradigm shift at the theoretical level, at the level of practice it represents a far reaching and multidimensional transition that unfolds in a step-by-step way through ongoing negotiations over existing and newly-emerging contradictions. One particular expression of this is that (particularly in Europe and in Brazil) state apparatuses for rural development exist alongside apparatuses dedicated to the continuation of classical agrarian policies (under a neo-liberal vein) as well as to the defence of the many interests associated with such a continuation (e.g. those of agribusiness). This contradictory co-existence (within one and the same State) seems to trigger and require vagueness, so that the RD agenda is not perceived as too radical or challenging and can maintain an aura of legitimacy.

Overall then RD has a tendency to create new forms of duality. Alongside the existing markets (and associated arrangements), new markets are constructed that create patterns and dynamics that deviate from, and in a way correct, the frictions that emerge out of the dynamics of existing markets. RD is not aiming to completely overhaul the order imposed by the existing agricultural and food markets (nor could it probably do so). It aims, instead, at reforms that dampen the effects of the latter. However, in the course of the process (and especially due to the economic crisis) the “frontiers” between structural change and reform become fluid and negotiable.\(^{17}\)

The typical duality inherent within current RD policies and practices is reflected, as mentioned before, in the institutional structures.\(^{18}\) Alongside a “first pillar” for main agriculture the EU has a “second pil-

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\(^{16}\) It is important to note that, until quite recently, the EU’s Common Agrarian Policy (CAP) basically functioned through the markets, e.g. through price subsidies that inflated price levels and interest subsidies that lowered the costs of lending.

\(^{17}\) This duality is not necessarily a problem. As indicated by Guillerme Cassel (the Brazilian Minister for Rural Development) in a public speech in Porto Alegre on the 25th of November 2009, the agro-export sector made a considerable contribution in 2003 to addressing the economic instability facing the country (related partly to a threatened balance of payments), whilst the family farming sector made its own distinct contribution in the fight against the explosion of food prices at the beginning of 2008 through rapidly expanding food production. This increase in production meant that food prices in Brazil rose by just 20%, compared to the 60% increase in average world food prices.

\(^{18}\) This new duality also represents a theoretical challenge especially since it evidently implies new patterns for regulation and governance. See in this respect Jessop (2008) and other “regulationists”, but also convention theorists like Storper (1997) and Boltanski, Chiapello (1999).
lar” for RD policies and programmes, just as Brazil has a Ministry of Agriculture (mainly for large scale export-oriented agriculture) and a Ministry for Rural Development (MDA) that focuses on RD. However the real balance of power between the different constellations is probably not constructed at these institutional levels but more through the strength that the different practices acquire in the field.

Current debates focus very much on the willingness of farmers to enter into new multifunctional activities. We argue here that it is, instead, far more helpful to focus on the issue of newly emerging nested markets and the associated governance structures. This would help considerably to go beyond some of the methodological and theoretical weaknesses that characterize many of the current debates about RD. We think this implies moving beyond the sometimes nearly exclusive focus on the micro-level and the associated voluntarism which tends to equate RD to the willingness of individual actors (farmers, traders, rural dwellers, local action groups, etc.) to engage in new activities. The questions of whether there is room to do so (are the legal frameworks and markets in place? are RD programmes really supportive?) tend to remain outside this analysis. Equally, the potential role of state agencies (at different levels) and the importance of intra-state contradictions tend to be overlooked. In practical terms this means that many potential keys and levers that could really strengthen RD remain unexplored.

7 - SOCIAL SOURCES OF RURAL DEVELOPMENT

It is, of course, not only the State (or the supranational-state) that is seeking to respond to the inadequate performance of agricultural markets. Issues relating to sustainability and poverty are a major concern for many NGOs and large parts of the farming population are also engaged with finding solutions to these issues as they affect them. As Marsden (2003) highlights in his analysis of Europe, Brazil and the USA, many farmers and other actors that are facing the “squeeze on agriculture” have tried to reconstitute their resource base (and the networks within which it is embedded) in order to create new products and services for newly emerging markets and to establish new connections with existing markets (through e.g. new forms of regional co-op-
eration or pluriactivity)\textsuperscript{20}. Thus, as illustrated in Figure 2, there are three main sets of social actors all seeking to find new forms of rural development. It goes without saying that the intentions and impact of these different sources are not necessarily always complementary.

There are remarkable differences between the three politico-geographic constellations discussed here. In the EU the gravitational centre basically resides in the many initiatives of farmers and rural dwellers, although their activities are increasingly supported by new RD policies at supranational, national and especially regional level. In Brazil, RD has been primarily driven forward by social movements and NGOs. But here there has also been a remarkable translation into new state support structures. As in Europe, the many-sided and multi-layered interaction between state apparatuses, social movements and local actors becomes crucial. In China, the centre of gravity resides within the state, although frequently local initiatives have provided the ingredients for the formulation of state policies. And, in all three constellations there is, it seems, an important albeit somewhat hidden, role of involved intellectuals.

\textsuperscript{20} In China pluriactivity often involves a highly interesting repositioning in time and space. Young sons and daughters of farming families migrate for many years to the major industrial zones and then use their savings to re-establish themselves again in the rural economy (as farmers, traders, or industrialists). This particular way of connecting agriculture and industry (through the labour market) also played a very important role in many regions in Europe from the 1950s onwards. The urban labour market was used to obtain the savings needed to construct an adequate resource base in the countryside.
8 - SOME IMPORTANT DISCOVERIES

Rural development did not start just yesterday. Over the last 15 to 20 years rural development processes have gained momentum in many places: there is now a well-documented and richly chequered range of rural development practices – which often function as “places for learning” for those involved, thus generating considerable dynamism. Several important conclusions might be derived from the available evidence (and these conclusions might well be considered as “discoveries”). We will limit ourselves, for the moment, to two of these discoveries.

First, it has been shown that rural development absolutely does not represent an *adieu* to food production. Rather, rural development supports and strengthens food production. There are many indications that multifunctional family farms are particularly well placed to survive the severe crisis that is facing world agriculture (van der Ploeg, 2010). Rural development might become a requirement for resilient food production – not merely an additional set of activities.

Secondly, it has been shown that agrarian and rural policies have a critical importance, even (or perhaps especially) within a neo-liberal framework. They can introduce new rules and institutions that can play a strategic role in the development of the countryside and food production. The current unfolding of the PAA (public acquisition of food for school feeding and poverty alleviation) in Brazil offers a good example of this, linking public procurement (school meals, etc) to a strengthening of small family farm sector (at least 30% of the food needs to be acquired from small family farms)²¹.

9 - A SET OF INTERRELATED HYPOTHESES

It is obvious that radical changes are needed in rural areas and in food production in the coming years. The seeds of many of these changes are already germinating. In recognition of this we present here, in line with our earlier arguments, six hypotheses that might usefully guide future research into, and debates about, rural development processes.

²¹ The Food Acquisition Programme (PAA) was created in 2004 with the purpose of being a structure linking food production by family farmers and food consumption in schools and by poor people living in urban slums. The PAA programme utilizes a range of financial and marketing instruments. PAA is connected with the Brazilian School Feeding Programme (PNAE). During 2008 this programme reached 34.6 million pupils (about 20% of the Brazilian population as a whole) and had a budget of 1.5 billion Reais (750 million US dollars).
The first hypothesis is that rural development processes become more effective (in the sense that they materially redress the negative workings of the main agricultural commodity and factor markets), if the three social sources outlined in Figure 2 and their different “projects” align themselves with each other and start to mutually strengthen each other. It is of particular importance to develop positive interactions between state policies and the autonomous initiatives of the rural population. Although we have not investigated this issue in depth our observations suggest that there are considerable differences between (and within) the different territories studied in this Special Issue.

The second hypothesis strictly regards RD policies. The more these are oriented at correcting unequal distribution of resources or high degrees of monopolization, the greater their impact in terms of RD. The same applies to governance: the more that RD policies embrace the principle of subsidiarity (favouring e.g. decentralization and legally conditioned self-regulation), the more positive the impact of these policies will be.

The third hypothesis is that rural development processes become more effective and more self-sustaining and will mobilize more actors as they address a widening range of agendas: sustainability, employment opportunities and quality of work, income levels, quality and “accessibility” of food, quality of life in the countryside (including the provisioning of services, the quality of landscapes and biodiversity), synergies between different economic activities, competitiveness of the rural economy and space for self-regulation. Again there will be large differences between regions and countries in terms of the “scope” (or “multi-dimensionality”) of rural development processes and practices that can be pursued.

Fourthly, we hypothesize that rural development processes become stronger when they are rooted in social capital (i.e. in the initiatives, normative frameworks and networks or movements of rural people) and, simultaneously, in new markets and new connections with existing markets. The more this occurs, the less rural development will depend upon external funding. This said, in many places it can be very difficult to construct well functioning new markets, and in other instances the required social capital might be lacking. Wherever this is the case, public support should be oriented at the (co-)construction of new markets and strengthening social capital, instead of being channelled to subsidizing “artificial” interventions that are not firmly rooted in local realities and practices.
Fifthly, we claim that rural development might provide a successful response to the manifold crises the world is currently facing. Within the myriad of rural development practices (be they incipient or mature) many new and promising responses (e.g. to the squeeze on agriculture, the dependency on external funding, excessive levels of energy use, the waste of scarce sweet water, the depressive effects on prices of global markets and the danger of food emergencies) have been developed and, to a degree, tested. Further rural development (and the elaboration of well functioning rural development policies) holds the potential to broaden, enlarge and sustain these responses. This last hypothesis (which evidently builds upon, and critically depends on, the previous four) implies that rural development is absolutely not a “luxury” (to be suspended in times of crisis). It is precisely the opposite: RD provides an indispensable ingredient for fighting the global and multidimensional crisis we are facing today.

Finally we want to add a sixth hypothesis: the more RD advances, the more new markets are created. This applies in both China and Brazil where RD has helped to greatly reduce the number of people living below the poverty line. Thus in China, in the 1990s, some 200 million new consumers emerged while in Brazil at least 20 million people have entered the market as new consumers since the year 2000. This has enlarged the market, particularly for food products and other “wage goods”. It goes without saying that it is absolutely essential to construct new circuits (new specific markets) that link these new consumers to the evolving national peasant agriculture (instead of to international imports). In Europe similar interrelations are discernible. It has been shown that the places where RD contributes to an improvement of the quality of life in, and the attractiveness of, rural areas, attract many new rural dwellers and this is followed by the emergence of “new rural markets” (for e.g.

An interesting detail is that in Italy a decline in purchasing power is currently strengthening the direct acquisition of food products from farm shops and/or farmers’ markets. The decline in purchasing power has led many consumers to reconsider price/quality relations. Consequently they opt for the high (sometimes higher) quality of products delivered through short chains for which they pay less than they do for food from supermarkets. In the Netherlands the economic crisis seems to be strengthening agro-tourism.

This applies even more since energy shortages, as well as the threat of food emergencies, will under the aegis of food sovereignty, trigger the creation of new regional markets.

This sixth hypothesis was suggested to us by Walter Belik from Brazil.

Both in China and Brazil, these new consumers mainly stem from the rural areas. Thus, successful RD processes positively impact on the economy as a whole.
high quality food, farm shops, care facilities, agro-tourism facilities, decentralized energy-production and accessibility in the form of food paths). Thus, RD becomes a self sustaining process.

10 - A FURTHER NOTE ON DISSIMILARITIES

Among the many differences between China, Brazil and the EU, we want to single out two sets that we think are especially important. The first set regards contextual differences. In this respect Europe is characterized by relatively high education levels among its rural and agricultural population; equally important are (especially in the North-west) the long-standing and strong democratic and cooperative traditions. Together these factors probably imply that rural actors in Europe are relatively well-equipped to operate in these new markets. New markets and associated networks are very often constructed at the grassroots level, i.e. by the actors directly involved. The State is usually only involved in regulation. In China and Brazil, on the other hand, the State plays a far more central role in the development of new markets and in the regulation of existing ones.

A second set of differences relates to the main instruments used in RD policy. For RD policies to be successful, state-agencies are needed that operate in rural society. The elimination of traditional extension services in large parts of rural Europe left a considerable void in this respect. As a response many NGOs have emerged (territorial cooperatives in the Netherlands being an outstanding example; see OECD, 1996) that now play an important role. It could also be argued that the LEADER programme has also played a role in filling this “empty space”, as much as it has been a mechanism for further democratization. In China the Communist Party is evidently the main instrument: it has a “capillary” presence in the countryside and an enormous capacity to mobilize people. In Brazil the “empty space” is being recovered through the inclusion of social movements into the operational aspects of RD programmes. These differences in context and in operational mechanisms have far reaching consequences, the scope of which still needs to be assessed.

11 - ON THE IMPACT OF THE CURRENT CRISIS

Finally, a brief and mainly analytical note on the consequences of the current crisis. As illustrated in Figure 3, it could be argued that,
until recently, specialized farming not only produced for the global agricultural and food markets – but by doing so it was also able to reproduce itself. The global markets functioned as the main circuits of reproduction (admittedly, in marginal areas this was not the case, just as those farms that were unable or unwilling to adapt to the reigning market criteria started to find themselves marginalized).

FIG. 3 - Agriculture producing for, and being reproduced by, the large agricultural and food markets

The current crisis represents a remarkable (and probably historic) rupture in this scheme: a scheme that has been taken for granted for a long period. This rupture itself was, in a way, a confirmation of trends that have been emerging for several years. It implies that the global agricultural and food markets are no longer capable of reproducing farming. Prices are too low, the costs of production too high (and now include the increased difficulties of refinancing debts and/or obtaining new credit), there is much turbulence and often considerable insecurity about access to markets and the gap between the prices for producers and those paid by consumers has risen strongly. All this implies that reproduction through the main markets is no longer self-evident. In this respect it is telling that the large-scale entrepreneurial farms are facing the greatest difficulties.

Figure 4 summarizes the responses to this new situation (once again: these responses have already been germinating for longer periods). Figure 4 shows that multifunctional farming, i.e. farming that is reconstituted through rural development processes, is not only linked to the global agricultural and food markets – it is also linked to new markets. These new markets are supplied with new goods and new services that are produced by multifunctional farms. Together with pluriactivity and
new forms of cost reduction, this diversification opens a new range of circuits of reproduction. If it is increasingly more difficult to reproduce farming through the global markets, these new circuits of reproduction become more important as vehicles for ensuring the continuity of farm enterprises. As discussed in the following articles (especially in Oostindie et al., this issue), there is increasing empirical evidence that involvement in these circuits does not imply an *adieu* to farming – instead, the production for the main agricultural and food markets is increasingly grounded on the income flows resulting from these new circuits.

Although it is, as yet, impossible to verify whether this is universally the case the implication is nonetheless clear: the most significant aspect of rural development probably resides in its contribution to the resilience of farming systems which allows food production to be continued in difficult times. This resilience occurs because multifunctional farming is increasingly grounded in new circuits of reproduction (as illustrated in Fig. 4).

**Fig. 4 - Agriculture producing for different markets and being reproduced through different and new circuits of reproduction**

Simultaneously, these new circuits play a crucial role within RD processes – and are often created through and within them. They create “space” (Halamska, 2004) for farmers and peasants to continue de-
developing their farms. Thus, Figure 4 also provides an analytical framework that can be used to further assess the commonalities and the dissimilarities of RD processes in China, Brazil and Europe, especially since it implicitly refers to new modes for patterning the social and the natural worlds. It implies new connections as well as new, often decisive, disconnections. Through these, culture and ecology start to play new, strategic roles and combine in new ways with the economy (Escobar, 2010). New forms of cost reduction, for instance, imply major disconnections with the industries that deliver the main inputs for farming but also with the banks and expert-systems that deliver the blueprints and scripts that farming is supposed to follow. Instead, these new forms of cost reduction farming are grounded on local ecology and art de la localité (to use Mendras’ characterization of local knowledge). The development of agro-ecology in Latin America is a major expression of this. The same applies to newly constructed connections. Culture is a major ingredient in the newly emerging, nested markets discussed throughout this Special Issue. The same is true of the current forms of pluriactivity: they provide a channel for cultural contributions from the cities to reach and enrich the countryside, and allow a flow of rural meanings towards urban areas.

Pluriactivity is no longer an expression of poverty, it is increasingly an expression of richness (as argued by Kinsella et al., 2000): it combines the best of different places.

The change from the constellation summarized in Figure 3 to the one entailed in Figure 4 has several consequences, three of which are worth highlighting here. The first is that the polyvalence of agriculture (Goodman, 2004) is increasing considerably. Within the newly emerging constellation agriculture articulates with wider society through an increased number of interrelations. Instead of producing just raw materials for the food industry (and the energy sector) it is delivering a far wider range of goods and services. Heterogeneity is also increasing especially because of the increased importance of ecology and culture. Finally, it is quite possible that new developmental trends will emerge. In this respect it is telling that in the last decade the total number of peasant farms has remained stable in China, in Europe it decreased far less than was predicted, whilst in Brazil it has increased considerably. This is indicative, we think, of the far-reaching and long-lasting impact of rural development processes.
References


Riassunto

Riconsiderando lo sviluppo rurale: prospettive comparative allargate dalla Cina, Brasile e Unione Europea

L’articolo rappresenta un’introduzione a questo numero speciale, che è basato sulla lunga esperienza degli Autori nei processi di sviluppo rurale nei paesi di appartenenza e rappresenta un tentativo di identificare i principali aspetti comuni dello sviluppo rurale a fronte di condizioni decisamente diverse. Questo articolo è un’elaborazione del discorso introduttivo al seminario internazionale su “Processi e politiche di sviluppo rurale in Brasile, Cina e Unione Europea: condividere buone pratiche e agende di ricerca” tenuto a Roma dall’1 al 4 febbraio 2010. Questo articolo identifica le principali domande che guidano la nostra analisi comparativa e introduce alcune ipotesi sulla natura e le dinamiche dei processi di sviluppo rurale.