

ORIGINAL ARTICLE

PROCESSES OF MARGINALIZATION OF AGRICULTURE: THE ROLE OF NON-AGRICULTURAL SECTORS TO SUPPORT ECONOMIC AND SOCIAL GROWTH IN RURAL AREAS**CANNARELLA C.****ABSTRACT**

In the case of rural realities showing peculiar socio-political conditions, systemic changes, transformation of consolidated lifestyles, marginalization and weak socio-economic positions, policies to restructure agriculture can face complex implications. The definition, development and implementation of strategies focused at a „local” level directed to support non-agricultural rural activities can contribute to make modernization processes really effective and capable to produce solutions which can be efficiently adopted. A multidisciplinary analysis on „rural space”, as a complex system composed of essential elements (individuals, communities, agriculture, landscape, environment, non-agricultural activities, and local spatial and cultural configurations) becomes a crucial step to achieve all potential benefits from the identification of alternative employment and income sources and to create a positive environment to implement social, economic and technological changes.

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INTRODUCTION

The systemic and structural transformations activated in East-Central Europe after 1989 surely provided important elements to achieve more specialization, competitiveness and improvements in quality of production and in productivity in the agricultural systems with real benefits for the social groups directly involved in these processes. Yet, many problematic conditions arose for those rural communities which, showing increases in the degree of marginalization in their agricultural and non-agricultural activities, have been considered unable: a) to reach adequate productivity levels; b) to cope with the impact of severe reductions or the end of the previous social protection schemes; c) to quickly adapt to the renewed social and economic scenario.

The problem of „marginalization” shows several multi level problematic facets because it involves different integrated marginalization processes within the same area for different communities (at different levels and degrees) according to:

- *an economic perspective* related to agricultural and non-agricultural activities in rural areas (for example the degree of local, regional, national and international competitiveness or economic dimension of these activities);
- *a technological and innovation perspective* (in products, management and processes);
- *Land characteristics* (resources availability, environmental conditions, spatial advantages and disadvantages, etc.);
- *the availability of infrastructures* (road, railways, transports, telephone networks, energy, proximity to „sensitive” political, economic, social and institutional centers, etc.);
- *Cultural types* (traditions, relations with legal institutions, mentality, religions, languages, social relation, gender division of economic activities, etc.)

In this perspective, „land” represents a spatial dimension where social systems act within an environmental context; where a rural system produces goods as well as social and environmental balances and potential well being factors. Marginalization thus becomes the synonym of „exclusion” which, encompassing economic, social and political factors, is generally a spatial

marginalization (exclusion of specific rural districts) rather than marginalization of economic sectors and activities. These economic activities are in fact placed in a geographical area and their production characteristics contribute, operating in the same space, to the definition of the economic marginalization degree of that area. Spatial and economic marginalization however interact involving, at different degrees, structural and conjunctural aspects. Spatial marginalization tends to be generally caused by structural agents, social phenomena in particular (improvement/decay in quality of life, new/obsolete infrastructures, adequate/inadequate landscape management, etc.) involving long-term actions. Economic marginalization is rather based mainly on conjunctural factors: prices, trends in demand, exchange rates, etc. even if substantial structural elements can play a crucial role as well, such as technological levels, the dimension of enterprises, human resources, education and training, etc.[24]. The interaction among different resulting forms of exclusion causes a lack of „vitality” in a rural social and economic tissue (including agricultural and non-agricultural dimensions) thus unable to produce those factors essential to its own global development and to translate eventual income increases into global improvements in quality of life standards. In this case economic growth tends to proceed in opposition to the social and environmental progress (fundamental for any discussion about these topics are for example. [1,2,3,4]. This idea of vitality is based on those potential well being factors whose exploitation possibilities are strictly linked to the action of a number of efficiencies and inefficiencies: a) technical and economic efficiencies (inefficiencies); b) management efficiencies (inefficiencies); c) market efficiencies (inefficiencies); d) political and institutional efficiencies (inefficiencies). All this can contribute to globally stimulate or, on the contrary, to create concrete obstacles to economic and social growth in rural areas. Politics play an essential role within this framework for its concrete influence in other systems with critical problems when severe inefficiencies can be reported simultaneously in all these four spheres.

In the case of these inefficiencies, above all the institutional and political ones, agricultural policies can produce very few benefits for rural communities.

In particular, political corruption, pushing administrators and politicians to act in an unequal manner (or generally considered as such), produces severe distortions in income distribution or in the access to production factors [6]. Corruption creates also disincentives and obstacles which contribute to social unbalances; corrupted politicians provide benefits only to better connected individuals or defined social groups, thus widening social gaps and activating widespread poverty [15,18]. The possibilities to manage concrete and potential economic, technical, management and market inefficiencies are thus directly related to the will, choices and capabilities of the social and political institutions involved in widening the number and dimension of the social groups which can benefit from the adoption of sectoral and global economic measures and policies for the rural world. If low and medium levels of a rural society are not involved in these processes, through appropriate social reforms, agricultural policies could, on the contrary, produce negative effects sometimes widening the existing inequalities. These issues are likely to be urgent tasks also considering that, in particular for those East-Central European countries which are candidates for an EU admission, non-competitive agricultural activities in marginal areas, and the related employment, are potential victims of future severe structural adjustments of the CAP (Common Agricultural Policy) due to the lack of alternative employment and income possibilities.

RURAL SPACE AND RURAL DEVELOPMENT

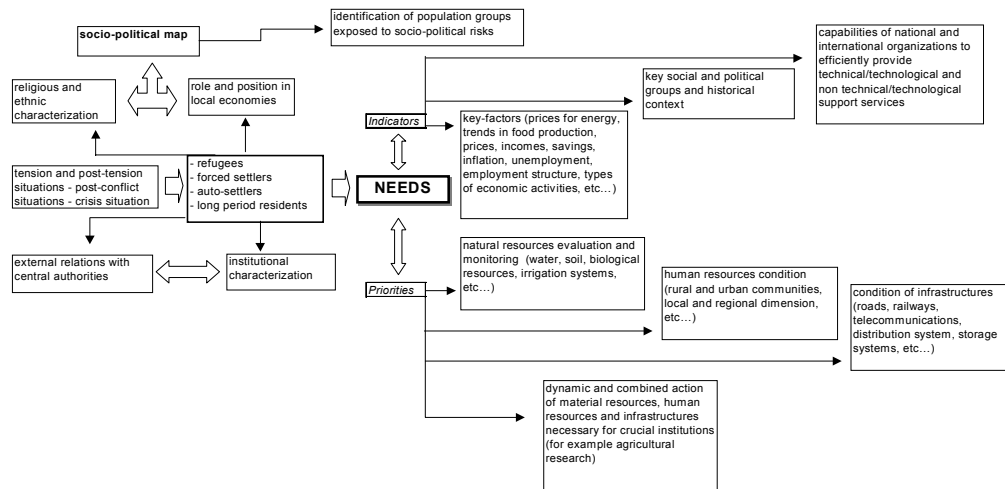
Many opportunities to recover marginal rural areas are generally connected to a „global conversion” capable firstly of transforming marginal farmers into a potential resource through the implementation of specific measures to integrate productive functions and alternative social, environmental and economic activities. Linkages with a wider analytical and operational scenario, with the adoption of a multidisciplinary approach, provide crucial contributions towards the definition of measures for the recovery of marginal areas, alleviation of poverty and under-development and for the creation of sound bases to restructure the agricultural sector itself. The development possibilities for a modern agricultural system in the long run (with sound relations with

upstream and downstream sectors) have in fact to be supported by an ethic, social, political and economic environment where this re-structuring process could be adequately implemented [7,8]. Many growth opportunities for rural communities are thus connected to the possibilities to incorporate values and principles of rural development within agricultural re-structuring policies.

Rural development is highly focused on the idea of „rural space” considered as a natural and cultural environment which represents, at a local dimension, a complex network of differentiated material (landscapes, environmental systems, agricultural resources, etc.) and non-material resources: these non-material resources are peculiar aspects of local communities (traditions, culture, religion, languages, etc.) which can be translated into a local material culture such as art heritages, traditional and niche food, artisans’ products, traditional rural architecture, etc. These tangible/ intangible resources are strictly interconnected but many opportunities for alternative rural activities are not immediately evident because they require several measures and actions to emerge. The identification and integration of those services necessary to support these activities represent a crucial step to make them identifiable by potential investors. For this reason these resources have to be analyzed and evaluated in order to identify those factors which can support a sustainable development based on different segments related to different possibilities and alternatives in managing this „rural space” [14].

Linkages between rural and agricultural space play a critical role because agriculture acts as an essential focus for rural communities: for income generation and employment; soil and other resources, landscape management and resource supply for non-agricultural rural activities and rural culture itself. The interrelations between agricultural and rural space provide important contributions on the one hand to widen the concept of agriculture itself (production and trade of agricultural food and non-food products, agro-industry, agro-business, forestry, fiber industry, etc.) and, on the other hand, to provide key factors in the definition of environmental, social and economic sustainable alternative activities [10].

Figure 1: Indicators and priorities in needs' identification



This double faced dimension is likely to be extremely crucial for those rural realities where, in general terms, an economically efficient and competitive agriculture, capable to adopt innovation and technologies in products and processes, has to live together with a widespread structurally poor agriculture which remains far from the main communication networks and crucial trade centers [9, 19, 23, 25]. In economic terms, it is clear enough that those districts mainly based on this second kind of agriculture should be defined as „disadvantaged areas” but also these areas can provide relevant factors, once identified and analyzed, for an alternative use of resources and potentials [5]. A typical example of this condition is represented by the relations between agricultural activities and environmental protection for recreational and tourism purposes. The development of rural tourism depends in fact on a space quality resulting from: a) on-farm agricultural and non-agricultural practices (animal production activities, forestry, etc.); b) more or less vulnerable areas whose management depends on the share of public resources devoted to this scope. In particular, point b) requires the definition of specific strategies and tools because, due to the lack of direct maintenance, human and financial resources have to be involved to protect „sensitive” areas, to recover abandoned zones and to create the related infrastructures. When both levels are directed to the achievement of the transformation of an agricultural space into a rural space, the possibilities to identify environmental and landscape potentials become definitely effective contributing, in the same

time, to increase the demand for environmental services and recreational and cultural activities in rural areas at national and international level. All the measures directed to the natural resource management and landscape evaluation (from creation of parks to the restructuring of villages, from the introduction of savage species to the valorization of traditions and traditional products, etc.) are crucial elements in the development of environmental and cultural tourism producing a positive impact in improving quality of life of resident communities [Many of these actions often require the implementation of services whose quality highly depends on human (usually residents in order to provide a constant presence) rather than financial resources.]

Rural development and environmental management can converge thanks to an integrated strategy supported by adequate education and training schemes with the involvement of public and private subjects [17]; all this confirms the role of rural development as human and environmental process whose implications and mechanisms, connected to the creation of an ethic, mental and cultural scenario, can be hardly evaluated thanks only to an economic perspective [The methods to measure (in monetary terms) natural resources through the gap between social and private costs or through the concept of „externality” show concrete limits for the large number of not measurable variables, for example, the multigenerational dimension related to development as a whole].

DIMENSION, COMPOSITION, AND CHARACTERISTICS OF NON-AGRICULTURAL RURAL SECTORS

Many East-Central European rural districts often have to cope, particularly after negative harvests or at the end of great agricultural seasonal activities, with poverty and unemployment caused by increases in agricultural workforce with a progressive reduction of (formal) job opportunities in agriculture and limited possibilities for the growth of agricultural production through an expansion in use of agricultural land (for some aspects of transition in agriculture [20,27]). These issues require the definition and the adoption of specific (and usually expansive) policies and measures to support agriculture, credit, savings and functioning of social cushions for those left behind during the systemic transformation process [22]. Within this scenario, the role of non-agricultural activities in rural areas, as key factors to support agriculture and to create alternative jobs and income opportunities, becomes particularly relevant within peculiar „postcommunist” contexts and a global rural development process.

The systemic transformation occurred in East-Central Europe after 1989 involved severe modifications in growth trends and composition of urban industry. The decline of many traditional urban industrial activities made these sectors unable to absorb exceeding workforce from agriculture and the present expansion degree of manufactures provides limited opportunity of employment for manual/low skilled workers from the countryside. Other economic urban sectors (services) cannot adsorb this workforce either, due to the high skills they require of their staff. For this reason, the possibilities to solve the problem of rural unemployment should be found mainly within the rural space through small and medium-sized activities in rural economies.

The reasons to widen the possibilities for a differentiation of alternative jobs and income sources in rural areas (often small scale and labor intensive activities) are focused both on social and economic issues [11]. The expansion of these rural activities represents a crucial occasion for small and medium enterprises based on high levels of human resources providing, even at lower salaries, complementary

income sources for poorer farmers, peasants, and women who can be engaged in home activities. Also bigger farmers can benefit from rural non-agricultural activities because in these sectors they can invest, as entrepreneurs, in trade, services or in small industry. In the same time, non-agricultural rural activities provide for more marginal farmers with economic resources in case of agricultural income fluctuations between seasonal periods through a diversification of income sources. This aspect seems particularly crucial in the absence of institutions, which can provide support in the case of these fluctuations through savings, credits, or insurance. Rural activities can provide support also, in case of contractions in production due to climatic variations, pests, or modifications in trade flows. It should be noted also that many farmers usually prefer low profit productions which grant stable incomes rather than high profit (but volatile) specialized productions. Non-agricultural rural activities can stabilize incomes acting as cushions for farmers directed towards specialized and more profitable (even if riskier) production.

A definition of what should be considered as rural or as non-agricultural rural activity depends on two interrelated levels based on a distinction between a) agricultural and non-agricultural activities and b) rural and urban activities. In general, terms, non-agricultural sectors include activities not related to crop production or animal husbandry (i.e. fishery, livestock production, forestry, etc.) or alternative activities in rural areas (i.e. agri-tourism, rural tourism, small-scale industries, catering, etc.) [26]. Within this perspective even transport, constructions, services, and manufactures can be included in this definition but the boundaries among these sectors in rural areas are not always clear. Frequently employment and incomes are the result of a combination of activities whose characteristics can highly vary from district to district and from region to region [Those services linked to Internet management and development (for example providing technical support for farms and firms for on line services) has scarce relations with spatial and geographical variables but rather with infrastructures. They need efficient network connections that are not influenced by physical allocation (urban or rural area)]. According to the above point b), the term „rural” can be related to the number of inhabitants in a defined area (2000-5000

persons or less). When combining population numbers and types of economic activities in a given area, the resulting definition of „rural area” can highly vary from country to country. If the economic parameter prevails, it can be possible to encompass in this definition also „rural towns” and populations of 200.000-250.000 persons thus identifying the so-called „quasi-urban” areas or „market towns” which cannot be classified as urban areas. These sites are „market places” with shops, hotels and public offices with developed infrastructures (roads, railways) and a population of 5000 persons and more. These centers can usually play an important role for the surrounding villages as crucial places for trade, cultural, educational, and governmental activities.

The definition of rural and urban area can change in time and in space, creating further difficulties in the definition of what should be included within non-agricultural rural activities and in the related income. Some non-agricultural incomes can be organized according to their location, which can lead to the definition of the following income groups (with different employment implications):

- incomes earned from non-agricultural activities in rural areas (within the household or outside, in self-employment or wage employment)
- incomes deriving from non-agricultural activities in small rural towns (in self-employment or wage employment)
- incomes earned by rural households through jobs in urban centers
- incomes obtained from remittances from household members located in cities
- incomes obtained from remittances from household members located abroad

A decentralization of public expenditure generally contributes to the increased role of these non-agricultural sectors creating the conditions for growth in the demand of local products. When the role and dimension of the non-agricultural rural sector tend to increase, all the components and sub-sectors in it activate an inter-sectoral demand for each single good or service. The dimension and role of non-agricultural rural activities are, however, directly influenced by a complex network of relations with agriculture and other urban sectors. At a first level, the development possibilities for non-

agricultural sectors are strictly linked to the relations between agricultural and extra agricultural activities (inter-sectoral) also as potential opportunities for rural household to diversify their own income sources and employment. The complexity of this network is clearly confirmed by the fact that if non-agricultural rural activities were only a sort of economic and social cushion against structural or conjunctural crises in agriculture and in urban industry, any expansion of these sectors should reduce, within the global rural economy, the absolute and relative dimension of non-agricultural rural sectors. On the contrary, non-agricultural rural activities show concrete opportunities to act as autonomous economic sectors (thus concretely contributing to reduce rural poverty in the end) whose possibilities are connected to their productivity capabilities [An analysis about productivity of non-agricultural sectors can show concrete difficulties: comparing productivity in non-agricultural and agricultural activities or in urban and small scale rural industries can also become a difficult task. The non-agricultural rural sector is, in fact, composed of activities placed in many sub-sectors where productivity can considerably vary, such as trade, transports, constructions, training, education, services, etc. Some of these activities show a lower productivity level than agriculture or other urban sectors, while in others the productivity is likely to be comparable].

DEMAND FOR NON-AGRICULTURAL RURAL OUTPUT

Demand for goods and services from non-agricultural rural sectors can derive from the following sources:

- demand from farm households for consumer goods including consumer durables for household use;
- demand for manufactured inputs (intermediate inputs or capital goods) provided by rural non-agricultural sectors for use in agricultural production;
- demand from urban sectors for consumer goods and processed agricultural commodities produced by rural non-agricultural sectors;

Consumer goods produced in rural areas have some market niches in rural areas, even when they show

lower quality levels compared to urban consumer goods, thanks to a specialized demand also supported by lower prices resulting from reduced transportation costs for their markets in rural areas [With a fast diffusion in rural areas, mainly due to TV programs, of a consumption model in western standards, these local products are tending to be substituted with goods produced in great industrial urban centers or abroad]. An evaluation of the characteristics of this demand, capital, savings, and labor flows represent a crucial step for an analysis about the relations between farm and non-farm sectors. In general, terms, agriculture shows a demand for consumer goods from non-agricultural rural sectors while non-agricultural rural sectors activate a demand for agricultural outputs that are transformed in semi-processed and processed products. The volume, composition, and characteristics of the demand from the farm sector for the output of the non-agricultural rural sectors are linked to the growth of agriculture, land distribution, incomes in the farm sector and technology adopted. The higher the rate of growth of incomes in the farm sector, the higher the volume of the demand for consumer non-agricultural rural goods. It means that the possibilities for the development of non-agricultural rural sector are connected to two main interrelated factors:

- **a quantity factor** - adequate growth rate in agriculture with increases in incomes and a parallel growth in non-agricultural output and service demand;
- **A quality factor** - type and characteristics of growth in agriculture.

The quota of average and marginal expenditure for non-agricultural output should be generally higher for farmers with medium land and incomes. Social groups with higher income levels should mainly show a demand for non-agricultural consumer goods produced in urban areas or imported from abroad while small or poorer farmers and peasants show in average a higher quota of their incomes used to purchase food products. For this reason, eventual impacts on non-agricultural sector should be evaluated through the consumption demand of small and medium scale farmers (rather than through the demand of marginal farmers) who should show higher average and marginal expenditures for non-

agricultural products. It also implies that if growth in agriculture is concentrated in a few big farms and shared only by big richer farmers the impact of such growth on non-agricultural sectors will be rather limited.

The agricultural demand for production output from non-agricultural rural sector depends also on the available technologies and production scale at farm level. Technological progress linked to the use of new seeds, fertilizers, irrigation systems etc. contributes to increased farm profits and encourages investments in new products and methods capable of increasing the productivity and profits. Capital intensive technologies create an extensive demand for production equipment such as machinery, tractors or harvesters both in big scale farms and in small and medium scale farms (even if they use equipment in a more limited way because they generally tend to adopt labor intensive inputs). The expenditure for machinery and other equipment for an agriculture undergoing a modernization process provide relevant links with non-agricultural rural sectors because technological and management improvements can contribute to increased skills and capabilities for a rural district to produce other goods. For example, the introduction of new machinery reduces on the one hand space for employment in certain manual operations, but it increases, on the other hand, work productivity in many agricultural activities. In this way, the economic position in particular for medium scale farms tends to improve, with an expansion of their budget nourishing, thanks to the resulting higher income levels, a demand for non-agricultural goods and services. Improvements in technical equipment stimulate also the development of rural activities directly related to this equipment in particular, to its maintenance and technical assistance. As the first step, with the introduction of improvements in elementary tools, the activities of the artisans involved in this sector will grow. As a next step, with further improvements in equipment, a demand for mechanical and light-processing components (i.e. irrigation pumps or components for small motors) will grow; which will be produced by a sector which tends to be allocated in small scale rural enterprises rather than in large scale urban factories (which produce big tractors or harvesters). These large-scale urban factories can also subcontract parts or components to light small scale enterprises located in rural areas [Industries, which

plan to de-structure some activities in sub-contract to non-agricultural rural enterprises, need some „agents” with a deep knowledge of local realities in order to select among entrepreneurs. The main benefit for industries is related to the possibility of obtaining inputs from local suppliers at reduced costs. This kind of de-structuring of production processes towards rural areas is likely to be particularly positive in the case of labor-intensive production, low technological levels, and scarce involvement of capital and low transport costs. On the other side, rural enterprises have to reach satisfying qualitative standards and guarantee timely deliveries in order to be affordable. Industries could find other „shadow” incentives in the fact that in rural areas trade unions are less incisive than in urban areas: workers could tend to renounce to many prerogatives and rights of the labor laws]. The interrelations between the large scale urban sector and the small scale rural one tend to develop in both ways because as productivity and income in agriculture grows, demand for equipment increases and, if supported by adequate training and research programs, small scale firms of the rural sector can positively contribute for those adjustments necessary to meet the changing requirements of the farm sector. In this way the expansion of these non-agricultural rural activities provide a substantial additional income and employment source; thus coping with the reduction of workforce in agriculture during; for example; mechanization process (in the short run). In the end, further increases can be expected in job opportunities thanks to a parallel expansion in trade, transport, services and in production of other consumer goods manufactured at local rural level.

The allocation of small-scale rural manufactures linked to the processing of raw agricultural materials is related firstly to the allocation of these agricultural raw materials and secondly to transportation costs of raw materials necessary to industries. Small-scale rural factories can compete with industries and urban activities or they are complementary to industrial activities not only in processing raw agricultural output. Big industries provide market and demand for the non-agricultural rural sector for example, as previously mentioned, when a small-scale rural industry becomes a subcontractor for a big industry producing components and parts, assembling, or completing productive operations. These activities

also concretely contribute to the development of new economic initiatives and managerial skills at local level.

On the other hand, reaction capabilities of the non-agricultural rural sector to changes resulting from the demand side are linked to:

- **workforce availability and quality** - adequate education and training schemes create potential possibilities for rural communities to identify choices of alternative non-agricultural rural activities, improve productivity, increase managerial skills, enforce know how in manual workers;
- **Access to capital and credit** - usually non-agricultural rural sectors find severe limitations in accessing credit provided by financial public and private institutions. Special financial agencies within specific credit support programs can partially cover the financial needs of non-agricultural rural enterprises. In particular, in those rural areas not covered by international support programs, financial needs will frequently rely on moneylenders, friends and relatives;
- **Infrastructure availability** - good quality infrastructures encourage specialization and labor division facilitating exchanges among rural communities and small urban centers with a reciprocal exchange of inputs and products. They provide support for sub-contract actions between big urban industries and small scale rural enterprises and force enterprises to more confrontation with increases in the degree of competition and in competitiveness;
- **Access to technologies** – technologies contribute to the improvement of efficiency and competitiveness, the reduction of costs and achievement of a better use of energy and resources.

The complex interrelations with other economic sectors (agriculture, services and industries) and the presence of many extra-economic factors make dynamics, impacts and evolutions of non-agricultural rural activities extremely difficult to evaluate. For this reason, in some cases the development of non-agricultural activities in rural areas can support employment for a stagnant and low productive agriculture while agriculturally developed regions can show high unemployment levels and no signs of non-agricultural rural activities. This is just to say

that the birth and development of non-agricultural rural sectors (with their employment and incomes) could be linked both to a stagnant and a progressive agriculture: it is, in fact, extremely difficult to conclude whether and to what extent non-agricultural employment can act as a low income cushion for unemployment in agriculture or rather as a reaction to an expanding demand. It should be also considered that the rural labor market is often highly fragmented not only by types of activities, but also by gender and age.

CONCLUDING COMMENTS

Many development opportunities and the identification of alternative economic activities directed to support employment and incomes in rural areas are linked not only to physical factors but also to immaterial elements, which should not be underestimated or ignored. For this reason, rural development policies should be based on integrated programs capable of efficiently evaluating local advantages and disadvantages as well as agricultural and non-agricultural interests. These policies cannot work as centralized agricultural policies because their effectiveness highly depends on decentralization, partnership, and direct involvement of local rural communities towards effective social growth and widespread well-being. This decentralization, better connecting local needs to operative actions, is particularly relevant to socially stabilizing rural districts coping with critical social issues linked to economic decline, social tensions, unemployment, crime and illegal activities, discrimination against female population etc. [16].

A rural development perspective tends to be focused on global issues. Sectoral approaches, being based on economic choices and short-term issues, seem unable to provide adequate answers to development problems, in particular for those rural regions involved in complex systemic transformation and modernization process. Agricultural policies surely represent for rural areas an essential step but these sectoral measures are usually directed to achieve an economic efficiency often based on simplified and homogeneous processes and results, while rural development takes advantage of a larger variety of economic, as well as cultural and natural resources, tangible and intangible factors which have to be preserved and improved.

Within this perspective, the role of governments, institutions and agencies is particularly relevant. Governments can support non-agricultural rural sectors through global policies for trade, fiscal measures, industry, and employment and through specific sector policies. These sector policies can be directed to provide:

- financial support;
- credit allowances;
- financial allowances for technological improvements;
- development of infrastructure;
- Education and training.

In general, terms, all the measures directed to reduce subsidies and to simplify and clarify law and regulations can concretely contribute to improve the capabilities of agricultural and non-agricultural sectors to cope with structural changes. The possibilities for the emergence of non-agricultural activities (non-agricultural output, services, recreational activities, tourism, etc.) in rural areas facing severe systemic transformations strictly depend on:

- a simplification and rationalization of regulations and fiscal systems to create incentives for potential investors;
- a simplification of regulations in trade to reduce obstacles, in particular, for small entrepreneurs;
- privatization and rationalization of monopolies;
- reforms in banking systems to encourage banks to be more efficient and competitive;
- a stabilization of property rights;
- Reforms in labor law to encourage mobility and discourage informal jobs.

However, macroeconomic and sectoral reforms are not the only tools to expand development opportunities in rural agricultural and non-agricultural sectors. Some basic actions can be directed to improve the global social and economic environment in which private firms operate thanks to timely information, adequate educational and training schemes, transparent and simplified procedures, identification and implementation of incentives and the reduction and elimination of abuses and illegal practices of a sclerotic bureaucracy [13].

Corruption and development cannot work together: the interactions between poverty, injustice and progressive decay in social and environmental quality are well known [12]. In addition, static models in mental attitudes and in behavior do not contribute to create a positive environment to implement social, economic and technological changes [21]. No real development progresses can be achieved without an economic growth based on widespread well-being, translating private income increases into public global improvements in quality of life standards on social and environmental bases: short-term benefits have to be always compared to long term social and economic costs and

environmental risks. For this reason, the effectiveness of development policies for rural areas cannot be measured only through a cost/benefit analysis or increases in production levels, productivity, or incomes, but also by the real and potential acquisition of well-being of individuals, families and communities. A multidisciplinary approach becomes an essential tool in order to identify local needs, capabilities and potentials and, at the same time, to achieve and evaluate these substantial global advancements in the quality of life for the rural communities involved, with a particular attention for women and other weakly represented social groups.

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Cannarella, C., c.cannarella@dcas.cnr.it

National Research Council of Italy, Scientific and Technological Activities Dept. (DAST),

Viale Marx 15, 00137 Roma.

Tel. 06-82000 570,

Fax: 06 82000 571

