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Qualitative evaluation of European Rural Development Policy: Evidence from Comparative Case Studies

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Abstract— Complexity and variable uptake of CAP (Pillar 2) measures and rural diversity of the EU provide significant challenges for evaluation. The rationale of in-depth case study analysis as an essential complement to formal evaluation techniques is illustrated with comparative studies of employment impacts of Pillar Two policies in 6 rural areas in different EU member states. Recommendations arising include accelerated shifts from commodity support to measures strengthening non-farm sectors of the rural economy, whilst retaining support for farming adaptation; use of clear structural indicators and local expertise to determine priorities; and integration of Pillar Two policies with other measures in consistent, spatially nested Action Plans for Rural Development which set targets for improvement in economic and demographic performance.

Keywords— rural policies, evaluation.

I. INTRODUCTION

Rural development policy in the EU has evolved substantially over recent decades; currently, though legislatively consolidated and better resourced, “rural policy of today is the result of successive additions of measures with different rationales” [1: p.8]. Most spending is on agri-environment schemes and on structural needs of the agricultural sector, enabling it to adjust to changes in commodity support. Territorialisation allowing a multi-sectoral, integrated policy approach is evident, but less important [2]. There is limited discretion regarding adaptation of measures to diversity in resource endowments, infrastructure, social and cultural histories, and disparities in levels of prosperity; further, Pillar 2 operates alongside and interacts with a mixture of EU territorial policies and Member States’ own policies and regional governance frameworks, which impact on rural economic and social wellbeing. In this context, understanding how and why the reforms which

established Pillar 2 of the CAP result in outcomes which fulfil its complex (and possibly contradictory) objectives constitutes a major challenge.

This paper demonstrates that evaluation requires a broader approach than generalisation based on replicated observation of a large number of cases; in-depth interpretive investigation, if conducted rigorously, can provide new insights to a debate on the direction and pace of CAP reform, particularly with the aim of making Pillar 2 policies more efficient and more effective. Its three major sections, respectively, establish appropriateness of qualitative methods as a necessary complement to traditional rural policy evaluation; demonstrate how such investigations can be effectively implemented, using evidence from case studies which have explored the impacts of recent CAP reforms; and draw conclusions suggesting that synergy exists between use of a multi-dimensional investigative approaches and CAP reforms which emphasise overall rural social welfare improvement.

II. QUALITATIVE EVALUATION OF RURAL DEVELOPMENT POLICY

CAP Pillar 2 measures are diverse and complex, and many elements work indirectly, particularly those affecting landscape or biodiversity which contribute to improved incomes from tourism, or to development of differentiated traditional farm products. Though farming accounts for an increasingly small fraction of rural economic activity, modernization of agricultural structures can strengthen the influence of the sector’s upstream and downstream transactions on rural economies, and consumption impacts of farm household expenditures.

These processes of agricultural change operate alongside more profound influences which are transforming rural socio-economic structure. ‘Glocalisation’ factors are important for the capacity to respond to threats and opportunities arising from

greater openness to competition and enhanced mobility and communications. Shucksmith [3] emphasizes the contribution of social capital, defined as actors' ability to exploit networks of relationships to improve productivity, embraces trust and social norms. Murdoch [4] also uses this approach to define rural development processes more broadly than to include demographic, cultural, social, environmental and community issues.

Formal policy evaluation methods have become institutionalized in the EU, but there are inherent weaknesses in tracing the chain of causality from actions to impacts [5]. Traditional techniques for evaluating deadweight, substitution and displacement effects only measure the extent to which policy measures fulfil intended policy objectives, but fail to grapple with more important questions for policy development, such as how and why they operate in the way they do. Deeper insights can be achieved through investigations of a small but intensively investigated number of cases, as Yin [6: p.13] notes, using "empirical inquiry that investigates a contemporary phenomenon in a real-life context, especially when the boundaries between the phenomenon and context are not clearly evident". Yin provides strategic recommendations for case study design and implementation. Selection and exploration are informed by general suppositions about impacts of policy which require testing, and exposed to rival hypotheses providing alternative explanations. Multiple evidence sources impart both internal and external validity to the conclusions. Analysis proceeds by exploring patterns within the multiple data sources which provide support for explanations of the causal relationships, refined progressively through iterative probing, and ruling out of rival hypotheses. These provide opportunities to make 'theoretical generalisations' (contrasting with the statistical generalisations available from large scale surveys) which derive from an analytical interpretation of the empirical results.

Comparison between individual cases allows further insights into explanations for the causal patterns which they reveal, which can determine different priorities and recommendations from those established in analysis and interpretation of initial, individual cases. The centre of interest of multiple case studies,

described as a 'quintain' [7], is the examination of a phenomenon in separate contexts where different factors influence its expression and impacts. These correspond to the operation of Pillar 2 policies, applied on a partially optional basis by Member States to ameliorate changes in agricultural structures according to their own needs and priorities, on a diversity of rural economic processes, and their longer-term interaction with rural demographic changes, where other social, cultural, environmental and economic influences have somewhat greater effects.

Generalisation from case studies, especially comparisons across consistently conducted individual studies, involves a different logic to conventional induction. Rather than examining few variables but in many cases, case-studies examine many variables, in detail, in a small number of cases. Analytic generalisations which result indicate how dimensions of rural economic interaction, in different contexts, are affected by Pillar 2 interventions, and subsequently suggest methods for policy improvements.

III. COMPARATIVE CASE STUDIES OF THE EMPLOYMENT EFFECTS OF CAP REFORM

Here we summarise the process of design, implementation, and interpretation of the results of comparative case studies of Pillar 2 impacts on rural employment (for details see [8]). The overall objective of the investigation was to assess Pillar 2 impacts in the implementation period 2000-06, focusing in specific regions on employment potential, women and young people. Conclusions from prior research [9] suggest that issues to investigate are the extent to which CAP reform offsets broader socio-economic trends; interaction between out-migration from rural areas, demographic ageing and opportunities (or lack of them) for women and young people; how impacts diverge spatially; and effectiveness of locally developed rural development initiatives in improving job opportunities. These indicated the main initial propositions: reformed Pillar 2 has minor impacts on rural employment compared to broader socio-economic factors; under-employment, demographic ageing, and out-migration problems are more severe in the most peripheral areas; and decoupling and agri-environment payments increase farm labour demand.

Design commenced with choice of case study areas across Europe to exhibit diversity of rural economic performance, population density and services accessibility, governance effectiveness, natural resources, and availability of statistical information. The selection included areas in Germany (Kassel region), Greece (Eastern Macedonia and Thrace), Hungary (Southern Great Plain), Italy (Emilia-Romagna), Sweden (Östergötland) and the UK (East Wales). Guidelines for evidence-gathering were prepared for two activity phases: desk research and fieldwork. These were standardized but flexible enough to support research in different contexts.

Regional desk study profiles provided an overview of factors relevant to rural employment included an audit of policy implementation (Pillars 1 and 2 of the CAP, Structural Funds measures and national policies), accessibility, topography, geology, soil types, climate, population centres, political structure, rural land use, industrial structure and recent sectoral trends, demography and migration trends, housing market costs and conditions, education, training and childcare provision, health facilities, communications and IT infrastructure. Key differences which emerged included severe demographic problems with decline in younger age groups in Kassel region; high relative employment in agriculture and semi-arid production conditions in Eastern Macedonia and Thrace; a growing, affluent population and strong cooperative tradition in Emilia-Romagna; poor basic infrastructure, transition problems and disillusion with EU policies in the Hungarian Southern Great Plain; a successful focus on rural entrepreneurship and SME development, and high standards of IT infrastructure in Östergötland; and shortage of affordable rural housing and relative under-funding of Pillar 2 in East Wales.

A semi-structured interview guide was developed for interviews of key stakeholders, providing opportunities to discuss perceptions at length in conversation with the interviewer. It comprised an opening discussion of the economy in the case study area; implementation of Pillar 2 reforms and their interaction with other structural and regional policies; effects on employment for farm families and farm workers; and effects on overall rural labour markets. Following Creswell's [10] guidance, rough quotas

were set for representatives from the policy, business, and non-profit sectors. 106 interviews were recorded and transcribed, coded in a 2-level system which could be adapted to reflect local circumstances.

Analysis involved assessing and contrasting evidence from qualitative data and secondary quantitative data in terms of conformity to original propositions, accounting for potential effects on perspectives from the standpoint of the source. Testing consistency of evidence, both across data collection methods and data sources within the same method, explanatory hypotheses were re-evaluated, refined, and by re-reading evidence, assessed with regard to its bearing on the data themselves and, if so, whether the evidence base should be reinterpreted. Further validation of draft analysis was provided by discussion and assessment in a workshop involving external experts from case study areas.

A polarization of views emerged with regard to the impact of rural development reforms on the rural economy. One extreme, characterized as agri-centric, defined rural areas by agriculture and agriculture related businesses; the other viewed the rural economy as multisectoral, and policy was required to take needs of all rural businesses more centrally into account. Nevertheless, it was generally agreed that reform process created opportunities for restructuring, improved market orientation and facilitated development of new products and markets, but the overall effect has been to stem decline rather than create new jobs. Therefore, continued modulation of Pillar 1 to expand and extend of Pillar 2 policies was advocated, but transactions costs from high levels of bureaucracy were viewed negatively.

Coherence of Pillar 2 with other policies is poor; it is too narrow in focus to be a genuine rural development policy, and lack of integration with other policies leads to neglect of important broader issues. Support frameworks are inconsistent and lead to inappropriate or poorly conceived projects, so that duplication of effort often occurs. Interviewees were reluctant to estimate Pillar 2 effects on agricultural employment precisely, although the most optimistic believed that they have sustained, and others that they reduced the rate of decline of, farm-based jobs. Evidence exists that agri-environment programmes contribute directly to farm employment, but other

Pillar 2 employment impacts may be indirect and take time to materialize. Women are more active than men in diversification activities, suggesting that in the long term such policy could stem the decline in women's participation in agriculture. However, some (echoing Mid Term Evaluation evidence) considered that diversification activity would have occurred anyway.

Regarding Pillar 2 impacts on non-farm employment, some agri-centric interviewees were unwilling to comment, even suggesting that it was not relevant. Others thought that the limited multiplier impacts that had occurred were difficult to disentangle from effects of other policies; strongest effects were on tourism, with some female employment opportunities; also, LEADER+ programmes (where established) have direct job creation and additional indirect impacts. Employment impacts in food processing and marketing are, however, being undermined due to Pillar 1 decoupling. The strongest views suggested amelioration of inadequate general infrastructures is an essential prerequisite for improving employment opportunities.

One facet which the case studies unambiguously reveal is that the character of rural areas is far from homogeneous; not only between cases but also within them. All share common characteristics such as low population densities relative to national averages and land use dominated by primary production, but other individual factors make the functioning of rural economic processes unique in each case, and they also diverge at a micro-spatial level. Even as Pillar 1 reforms everywhere fuel transformation of agricultural structures, with negative consequences for rural employment, the direction and impacts of such changes are diverse. In Kassel region and East Wales, for example, they are perceived as insulating farmers from the need for fundamental business changes, with only limited evidence of an innovative response to decoupling. These changes intertwine with market developments in the character of demand for primary-based products, changes in supply chains, and with farm family structures and migration patterns. Where change is evident, farm structures are polarising, some becoming larger and some fragmenting into very small holdings, with contraction in the middle-sized family businesses associated with the social and cultural heritage of rural Europe.

Within all interview themes, participants were encouraged to discuss employment impacts on women and young people. However, concern arises since in the predominantly male-oriented field of rural policy implementation and interest representation, gender issues appear invisible; greater recognition of the specific needs of women in participating in rural labour markets and in business would contribute significantly to resolving demographic problems.

IV. THE USE AND USEFULNESS OF COMPARATIVE CASE STUDY ANALYSIS

Pillar 2 policies need to play a more significant role in encouraging agriculture to fulfil its modern multi-functional role, especially in more peripheral, less accessible territories where the ability to adapt successfully is hampered by demographic pressures. Because most Pillar 2 resources are devoted to farm-related expenditures (paradoxically, very little Pillar 2 spending supports the larger nonfarm sectors), there is a *prima facie* case for greater transfer through the process of Pillar 1 modulation. While most interviewees agreed that this is desirable, in different contexts and from different stakeholder perspectives, views on the rate and pace of such transfers diverge. Essentially, the difference of opinion can be distinguished by perceptions of the strength of employment multiplier effect of agriculture impacts on the non-farm rural economy. For the agri-centric, farming remains the keystone of rural economic activity, even if no longer directly responsible for the majority of employment; therefore, the focus on farm-based developments is rationalized by the indirect employment which is created. The more sceptical suggest that, with consolidation and centralisation of food supply chains, the multiplier effect is progressively weaker; farming needs support for public goods supply, but most effort should go into supporting employment outside of agriculture.

However, two further considerations are required. First, agriculture's multiplier impact varies according local economic structure, so distribution of resources between farm-related and broader Axes of Pillar 2 requires detailed, transparent indicators which reflect such characteristics to ensure fairness in improving economic opportunities, and support from expert local

knowledge. Second, even with more rapid rates of modulation than currently planned, the scale of additional Pillar 2 spending will be modest; extra spending must be directed to the most effective and appropriate means of fulfilling objectives. More potential employment in rural areas could result from raised profile of the environmental characteristics of production supported by agri-environment measures, particularly with greater integration with other parts of Pillar 2. Broadening scope to place more emphasis on infrastructure, from basic amenities to ICT networks, and encouraging rural entrepreneurship is desirable, but limited by resources available from modulation. Stronger effects would be possible if Pillar 2 combined better with Structural Funds spending and Member States' policy actions. Positive experiences of LEADER+ suggest that integrated solutions to rural problems can be efficiently achieved with authentic local participation and engagement. Strengthening, refocusing and integration of Pillar 2 policies could be achieved in the context of an Action Planning framework. Consistent, spatially nested Action Plans for Rural Development from European level (establishing short to medium term criteria and objectives) through member states (committing to combination of different policy streams to achieve minima identified at European level) to local level (where coordination and delivery frameworks already exists in Local Partnerships which will deliver Axis 4).

Identifying priority areas for action, this framework would channel resources to most important needs, while leaving Member States and local communities to decide on their most appropriate use, and coordinate support with other policies. Some inefficiency would result from high overhead costs of localized implementation, but in the long term savings should accrue through the more appropriate resource deployment. With careful planning and facilitation for genuine, inclusive participation, much bureaucracy associated with current programmes could be avoided. Poor levels of engagement and participation in locally-led LEADER activities yields poor results, so better approaches to dissemination of good practice are required to identify circumstances in which experience in one location transfers into success in others.

Thus, contrasting with conventional mechanistic approaches implicitly ascribing a causal relationship

between inputs, outputs and outcomes of policy, in-depth studies can reveal a better sense of interaction between increasingly diverse mixes of measures in contrasting contexts. There is a danger of being overwhelmed by detail in mixed method evaluations at local level, which must be traded off against higher levels of abstraction that result in inaccurate assessment and inappropriate policy decisions.

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