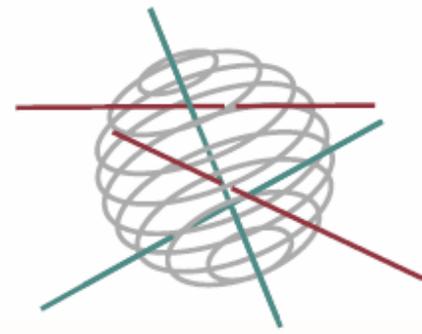


# SSD

SCIENCE FOR A SUSTAINABLE DEVELOPMENT



**MULTIFUNCTIONALITY AND LOCAL IDENTITY AS  
PARADIGMS FOR SUSTAINABLE AND COMPETITIVE  
AGRICULTURE**

**“MUSICAL”**

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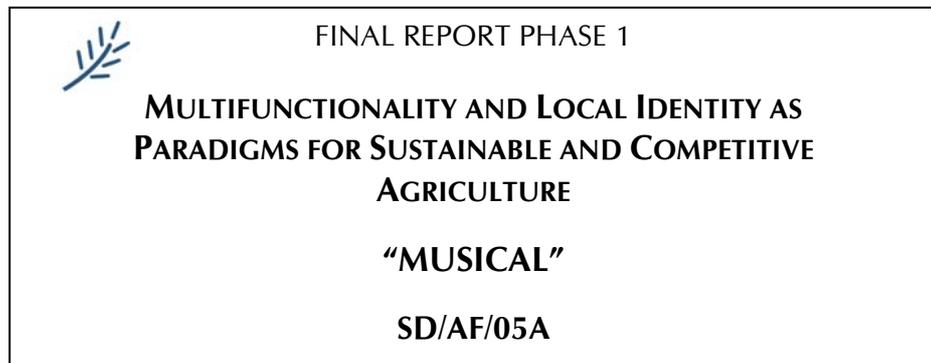
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## EXECUTIVE SUMMARY

### *Introduction*

Agriculture has always been multifunctional in the sense that, next to food production, it has always provided some other services to society. Examples of these services are agriculture's contribution to social care and cohesion (yellow services), environment and landscape (green services), water management or flood control (blue services). Because these services often can't be marketed, they are called non-commodities.

The modernization of agriculture however, has put pressure on the deliverance of these extra services, which endangers the ecological and social sustainability of farming. In fact, there are several indications that the modern agricultural model is in crisis and needs to be changed. A basic assumption in this research project is that multifunctionality can be a new unifying paradigm that can bring post-modern agriculture in accordance with new societal demands and as such increases its ecological, social and economic sustainability (Van Huylenbroeck, 2007).

While the ecological and social effects of multifunctionality are obvious, economic effects for farmers are less self-evident because no markets exist for non-commodities. Currently, multifunctional agriculture is stimulated through government payments, and associated with non-competitive forms of agriculture. A better solution would be that the government stimulates the creation of new markets and networks in which the delivery of non-commodity products is valued (Van Huylenbroeck, 2007). The project assumes that these new markets can be linked to multifunctional agriculture's effect on regional identity.

The **main objective** of this project is trying to prove that multifunctional agriculture, despite the fact that it produces more non-commodities, is not completely opposite to competitive agriculture. Multifunctional agriculture's contribution to the development of a regional identity can increase rural competitiveness and as a result of this, also the competitiveness of agriculture. Or in other words, the project is about proving that multifunctional agriculture, through its effect on regional identity, can increase the economic, ecological and social sustainability of rural areas.

Examples can be found in literature which support this hypothesis. According to the literature, multifunctional agriculture has an effect on rural landscapes, and therefore an indirect effect on the value of residential property and prices of rural accommodation. Some best practice examples, like Parmigiano-Reggiano (PR) in Italy, prove that farmers can even brand a region and make it world-famous. Especially nowadays, agriculture's contribution to developing regional identity can be very valuable, because globalization leads to a growing need of individuals for local and regional places with an identity they feel a bond with.

### *Objectives and expected outcomes*

In order to study the main hypothesis, the research is divided into several parts.

The **first part** of the research studies the link between multifunctional agriculture and the identity of regions. Understanding this link involves understanding regional identity and how it is formed. Specific attention is paid to the effect of agriculture on regional identity.

The **second part** of the research starts from regional identity, which can have agricultural aspects, and investigates how it can lead to regional development. Three main topics are studied in this second part:

- 2.1 Understanding how regions are constructed in a broader social context;
- 2.2 Investigating how regional identity can be integrated in rural development through regional branding processes: drawing lessons from best practice examples;
- 2.3 Investigating strategies of actors involved in identity development (in 4 Belgian cases).

The **third part** of the research focuses on how regional development on the basis of an agrarian-regional identity can lead to local welfare, both for farmers as non-farmers, and sustainable regions. Again, this part consists of several elements:

- 3.1 Estimating the effects on and experiences of individual local people;
- 3.2 Estimating the effect on specific economic sectors, like real estate and tourism;

**3.3** Investigating the effects on farmers: opportunities, threats, and the role of agriculture in governing regional identity;

**3.4** Exploring possibilities for alternative financing of multifunctional agriculture, not involving government subsidies.

The **fourth part** of the project finally defines 'windows of opportunity' in Belgium for a successful implementation of local initiatives based on agrarian-regional identity.

### **Methodology**

In order to achieve these different objectives, the project applies several methodologies. Parts 1, 2.1, 2.2, 2.3, 3.1 and 3.3 of the project mainly have an explorative character, searching for new concepts, typologies, dimensions, contextual consequences, etc. Therefore, the study adopted the method of **Grounded Theory**, which involves a consequential induction from empirically collected data in order to build theoretical frameworks. However, since the study integrates a substantial body of **literature**, a more moderate tradition of Grounded Theory is followed.

Theory building within the method of Grounded Theory occurs through a constant comparative analysis looking for patterns within all data. Therefore, there is a need for a set of carefully but consciously chosen theoretical cases: a collective case study. **Four main case studies** were chosen in Belgium: Meetjesland and Haspengouw in Flanders, and Parc Naturel des Deux Ourthes (PN2O) and the Gaume in the Walloon region. Since some research questions can't be answered within these four cases, additional cases were also selected: Leievallei and Pajottenland, both in Belgium. Pajottenland is also considered as a Belgian best practice case. **Best practice cases** outside Belgium are West Cork in Ireland and Groene Woud in the Netherlands. Finally, part 3.2 and the synthetic part 4 deal with the whole of Belgium.

For each part of the project, the following table provides an overview of the cases in which the study is done and the methodological tools used in each case. For parts 1, 2.3, 3.1 and 3.3 **in depth interviews** are done in the four main Belgian cases with key persons from organizations involved in regional development and farmers with multifunctional strategies. For the case studies of part 2.2, the best practice cases, data were also collected by means of in depth interviews with organizations, farmers and a few other local actors. In the second phase of the project, for parts 2.1, 3.1, 3.2 and 3.3, **surveys** with both qualitative and quantitative elements are planned in the four main cases with citizens and farmers. Also in the best practices of part 2.2, surveys are planned to obtain more information. Apart from a couple of questions in the survey for citizens in the four main cases, part 3.2 applies a **hedonic pricing** method to assess the impact of multifunctional agriculture on real estate in Belgium. Part 3.4 obtains its information through **workshops** on alternative financing for multifunctional agriculture in Meetjesland, and an additional case, namely Leievallei. In part 4 the synthesis of the project is made applying the technique of **windows of opportunity mapping**. In addition to this technique, a moment of member checking is foreseen in the form of **focus groups**. Throughout the analysis of the data, several seminars are foreseen for the researchers in order to conduct **peer review** and **triangulation** techniques.

This methodology already produced some interesting results in the first project phase, on the basis of which policy recommendations could be formulated. The description of the results follows the main structure of the project.

	Part 1: Multifunctional agriculture and regional identity		Part 2: Regional development on the basis of (agrarian-) regional identity			Part 3: Local welfare as a result of regional identity development				Part 4: Syn-thesis
			2.1	2.2	2.3	3.1	3.2	3.3	3.4	
	Literature study									
Haspengouw	Interviews	Survey			Inter-views	Survey	Survey	Inter-views		Focus group
								Survey		
Meetjesland	Interviews	Survey			Inter-views	Survey	Survey	Inter-views	Work-shop	Focus group
								Survey		
Pays des Deux Ourthes	Interviews	Survey			Inter-views	Survey	Survey	Inter-views		Focus group
								Survey		
Gaume	Interviews	Survey			Inter-views	Survey	Survey	Inter-views		Focus group
								Survey		
Leievallei (Menen-Kortrijk)									Work-shop	
Pajottenland				Inter-views						
				Survey						
Belgium							Hedonic pricing			Wind. Opp. Mapp.
Best-practice cases outside Belgium (West Cork, Groene Woud, ...)				Inter-views						
				Survey						

### Part 1: Multifunctional agriculture and regional identity

To be able to estimate the influence of multifunctional agriculture on regional identity, the first project part focussed on obtaining a better understanding of the concept of identity. It is important to have in mind that places are no soulless objects but are constantly interpreted and reinterpreted in relation to the personal preferences. Equally, the identity of an area is not a fixed fact, not equal to the biography or tradition of an area, but has everything to do with feelings, emotions and meanings a particular space can evoke in people. Keeping this in mind, one must understand that a place can have diverse identities, e.g. an agricultural one, which are constantly subjected to changes in the global world. Identity is a **social construct**.

On the basis of this understanding of the concept of identity, some policy recommendations can be formulated on how regional identity can be a basis for regional development. Working on the identity of a place - i.e. building up an attractive and positive image of the place - requires **collaboration** and agreement between diverse stakeholders with different visions, and attention for the needs and images of its **own residents**, in order to not get bogged down in unwished effects.

### Part 2: Regional development on the basis of (agrarian-) regional identity

The regional development process itself, based on (agrarian-) regional identity, is the research focus in the second part of the project.

#### 2.1 The formation of regions: agrarian-regional identity within a broader social context

The research learned that the construction of regional identities is closely intertwined with and cannot be detached from the broader social phenomenon of region formation. Regional identities are in fact cause and effect of the region formation.

The in-depth survey in the 'Meetjesland' and 'Pajottenland' regions points out that the shaping (and establishing) processes within the region are to a large extent comparable and that these processes are accompanied by a gradual building up of **social, institutional and symbolic-cultural capital**. Two factors seem important in triggering (and enhancing) the region (and identity) formation processes: **policy-making** at different levels (i.e. the European and the Flemish level), and **practices of regional agents and organizations**. The latter is strongly linked with the amount of social capital (in particular the formal and informal network relations within and between these) accumulated in the region.

## 2.2 Integrating regional identity in rural development: lessons from best practices of regional branding

In this part of the project lessons can be drawn on the regional branding process and how to integrate regional agrarian identity in rural development, by looking at regions with a strong agricultural identity which is successfully exploited.

A region can have different identities, as mentioned before, but not all of them can or will be chosen to be branded. The first lesson from the best practices is that to prevent the region to get paralyzed, not only historical elements, but also **modern and contemporary elements** should be picked out. This is also important to address young people and keep them involved. Secondly, although the best practices show the need to **focus on the local inhabitants**, they also make clear that the **positive effect of the 'fame' of the region**, induced by the region brand, should not be ignored. When outsiders idolize the region and come to visit it, the inhabitants get more aware of the attractiveness of their regions and are willing to dedicate themselves for their region. Thirdly, the success of the development process seems to be highly dependent on the abilities and motivation of individuals, accentuating the necessity of **enthusiastic and inspiring pioneers**, with an extensive social network. Finally, local actions should indeed be coordinated, although too much **bureaucracy** should be avoided.

## 2.3 Strategies of actors involved in identity development in the 4 Belgian cases

While a more theoretical study of strategies of actors in identity development will take place in the second project phase, some preliminary insights from the fieldwork in the two Walloon cases have led to policy recommendations on identity development and regional branding. These recommendations complete and confirm those from the former section.

In the regional branding process that should lead to an enhanced rural development, **local inhabitants should be considered allies**. The process should be tailored according to their expectations and interests. Also here, the conclusion could be drawn that **coordinating** all the efforts of organizations can be beneficial for the development process. The presence of an inspiring leader is a positive asset to go ahead with. Once this is in place, a unique, original and high quality **regional product** can be put forward to outsiders. The success of the promotion of the region and its product(s) depends amongst other things on the collaboration of the local population, the visibility of the territory and a well-thought communication strategy. The Walloon cases definitely show that regional branding based on an authentic identity can boost rural development. However, it is a **tool and not an objective in itself**. In this respect, when promoting a region, policy makers should be particularly careful for **polarization** between territories and population groups.

## **Part 3: Local welfare as a result of regional identity development**

It is already clear that a region can have more than one identity, e.g. an agricultural one, and that not all of those identities are pursued in regional branding processes. It is stressed several times that one of the success factors for regional (identity) development and regional branding is focussing on the local people. This part of the project studies the effects of regional development on local welfare more in detail. It tries to find out whether regional development or branding processes can have effects on the economic, ecological and social sustainability of regions. Part 3.1, dealing with experiences of local citizens with regional identity development, will be studied in the second project phase.

### 3.1 Effect of regional identity development on local economic sectors: the case of real estate

An important question posed in this research is which potential regional development based on an agricultural identity of a region, has on the economy of a region. The analysis shows that agriculture, and more specifically multifunctional agriculture, has an impact on a specific economic sector, namely real estate prices. More arable land usually has a significant negative impact on real estate prices. More grassland on the other hand has a positive impact on house prices but a negative one on development land prices. The impact

of multifunctional agriculture differs according to the type of multifunctional strategy. While nature conservation by farmers generally seems to have a positive effect on prices, on-farm processing and on-farm selling, rather decrease real estate prices.

So it seems that multifunctional agriculture has a potential to contribute to the region's economic sustainability, although this effect depends greatly on the type of agriculture. In regional development or branding processes, it can therefore be interesting to **make use of the agricultural elements of a region**. However, this may require the development of a specific **regional strategy for the development of the agricultural sector**, which has a social basis in the local farming sector and which is adopted by the majority of the farmers in the region.

### 3.2 Effect of regional identity development on agriculture: the role of the farmer in governing identity

In part 3.3 of the project, the fieldwork indicates that **regional identity can provide opportunities for farmers** to gain an extra income through diversification, and that regional development processes strengthen this effect. Since diversification also usually involves switching to less intensive farming practices, these processes of developing regional identity can evolve in ecologically and socially **more sustainable regions**. However, regional development processes very often seem to cause **inconvenience** for farmers, because of a lack of knowledge on farming on the side of the policy makers. Because of fear for unfavourable developments and lack of understanding for these policies, regional development processes are sometimes hampered because of **counterproductive actions** from farmers.

These observations have led to the conclusion that **involving farmers** in the governance concerning regional identity development can be beneficial. To obtain this, farmers, and farmers' organizations, should be **made aware of the importance of participation**, and organizations should also **make participation possible**. Power relations in a region, and more specifically fear of losing power can prevent this. Higher government levels could design participation structures around regional development. However, these should not be **too rigid**, and attention should also be paid that participation doesn't lead to **complex or inconsistent policies**.

### 3.3 Linking local farmers and citizens: alternative financing mechanisms for multifunctional agriculture

Finally, the project explores possibilities to link agriculture with other societal groups, in order to obtain more efficient and sustainable (less dependency on government funding) ways to finance multifunctional agriculture, based on its contribution to regional identity. The 'three cluster' approach of alternative ways of financing (voluntary contributions, non-voluntary contributions and fund construction) presents an overall picture of the existing financing mechanisms (and their potentials) and consequently offers to regional development agencies a powerful **framework for the selection of appropriate alternative financing mechanisms**.

From the workshop in the 'Meetjesland'-region it is concluded that there is a broad support for voluntary contributions and fund constructions. Both financing mechanisms require a **close cooperation between diverse regional stakeholders** (farmers, governments, regional organizations, etc.) and are in that way strongly related to the amount of **social capital** in the region.

## **Conclusion**

These results definitely provide an indication that we can **accept our main hypothesis**: multifunctional agriculture can contribute to the development of a regional identity and this can increase the competitiveness and sustainability of agriculture and of other sectors in an area.

## 1. INTRODUCTION

Agriculture has always been multifunctional in the sense that, next to food production, it has always provided some other services to society. These services can be categorized into yellow services, like agriculture's contribution to social care and cohesion, green services, like environmental and landscape services by agriculture, and finally blue services, like water management and flood control on agricultural land.

The modernization of agriculture however, has put pressure on the deliverance of these extra services, which endangers the ecological and social sustainability of farming. Next to this, the modernization process is also confronted with other limits. First of all there are market limits: resistance is building up from countries outside Europe, who consider the production incentives that caused the European Union (EU) to become a net exporter of food, as unfair competition. There are also social limits: farmers become victims of isolation and income decreases, there are increased financial risks and more recently agriculture has suffered a lot from food and animal health crises. All these conflicts show that the modern agricultural model is in crisis and needs to be changed. A basic assumption in this research project is that multifunctionality can be a new unifying paradigm that can bring post-modern agriculture in accordance with new societal demands and as such contributes to increasing its ecological, social and economic sustainability (Van Huylenbroeck, 2007).

While the ecological and social effects of multifunctionality are obvious, economic effects for farmers are less self-evident. OECD (2001) defines multifunctional agriculture as the delivery of non-commodities or non-tradable outputs when producing food and fibre. According to Moyer and Josling (2002) this production of non-commodities is threatened to disappear when the market does not remunerate farmers for this. One possible option to stimulate multifunctionality are government payments. However, a better solution would be that the government stimulates the creation of new markets and networks in which the delivery of non-commodity products is valued (Van Huylenbroeck, 2007). Nowadays the remuneration of non-commodities is still inefficiently organized and multifunctionality is mostly associated with non-competitive forms of agriculture and more alternative farmers. Therefore most farmers are reluctant to leave the modernization paradigm for this new way of farming.

The main objective of this project is trying to prove that multifunctional agriculture, despite the fact that it produces more non-commodities, is not completely opposite to competitive agriculture but contributes to the development of a regional identity which can increase the competitiveness of agriculture and of other sectors in an area. Or in other words, the project is about proving that multifunctional agriculture, through its effect on regional identity, can help to increase the economic, ecological and social sustainability of rural areas.

Examples can be found in literature which support this hypothesis. Evidence exists, for example, that when agriculture disappears in a region there will be a negative impact on landscapes and agri-ecological systems (MacDonald et al., 2000). Research also shows that multifunctional agriculture can increase the value of residential property in an area (Garrod and Willis, 1992, Cheshire and Sheppard, 1995, Irwin, 2002, ...) and the prices of rural accommodation (Vanslebrouck et al., 2005, Fleisher and Tschetnik, 2005). Best practice examples show that when farmers intentionally contribute to the identity of a region, they are able to brand the region so that they themselves and others can benefit from this. A good example of this strategy can be found in the region in Italy where farmers produce the world-famous Parmigiano-Reggiano (PR) cheese (De Roest & Menghi, 2000). This example also reveals the importance of local initiatives and cooperation in rural development.

Especially nowadays, agriculture's contribution to developing regional identity can be very valuable. It seems that there is a growing need of individuals, daily operating in a globally organised network society, for local and regional places with an identity they feel a bond with (Castells, 1997). This increasing importance of identity reflects in the spectrum of political regional branding attempts, in the ways in which several kind of actors try to integrate identity in the marketing of their products, but also in research (e.g. Kruit et al., 2004; Simon, 2005).

## 2. OBJECTIVES AND EXPECTED OUTCOMES

The **main objective** of the MUSICAL project is, as mentioned before, proving that multifunctional agriculture can contribute to the competitiveness and sustainability of rural areas, through its effect on the identity of these areas. Or in other words: a region with a strong regional identity could contribute to its regional development and as such could enhance the local welfare of its inhabitants and its farmers, since regional identity might be strongly intertwined with the local agriculture. In order to study this hypothesis, the research is divided into several parts. A schematic overview of the different elements of the research is given in Figure 1.

The **first part** of the research studies the link between multifunctional agriculture and the identity of regions. Understanding this link involves understanding regional identity and how it is formed. Specific attention is paid to the effect of agriculture on regional identity.

The **second part** of the research investigates the different ways in which regions manage their regional identity, which can have agricultural aspects, and investigates how it can lead to regional development. Special attention will be paid to the process of regional branding and its contribution to regional development and finally local welfare. Three main topics are studied in this second part:

- 2.1** Understanding how regions are constructed in a broader social context;
- 2.2** Investigating how regional identity can be integrated in rural development through regional branding processes. Critical success factors for the creation of a regional brand and the regional development process in general, can be obtained from the study of best practice examples;
- 2.3** Investigating strategies of actors involved in regional development (in 4 Belgian cases). This involves investigating how actors approach identity, how they use it for regional development and how different visions interact. Specific attention will be paid to the role agriculture plays in this process.

The **third part** of the research focuses on how regional development on the basis of an agrarian-regional identity, can lead to local welfare, both for farmers as non-farmers, and sustainable regions. Again, this part consists of several elements:

- 3.1** Estimating the experiences of individual local people with regional identity, regional development or branding processes and multifunctional agriculture;
- 3.2** Estimating the effect of an agrarian-regional identity on specific economic sectors, like the real estate and the tourism sector;
- 3.3** Investigating the effects on farmers:
  - o Estimating the effects of regional identity and regional development or branding processes on farmers: analyzing opportunities and threats;
  - o Investigating the specific opportunity of which role agriculture can play in the governance of regional identity so that local welfare of farmers and non-farmers can increase. In this regard, the study will specifically focus on participatory governance and local cooperative action of farmers;
- 3.4** Exploring possibilities for alternative financing of multifunctional agriculture, not involving government subsidies. Specific financing constructions will be analyzed, which entail a direct compensation of local actors for local farmers contributing to regional development.

The **fourth part** of the project finally defines 'windows of opportunity' in Belgium for a successful implementation of local initiatives based on agrarian-regional identity. Defining these windows of opportunity will be based on the results of the different parts in the project. A participatory research approach will be followed, giving ample attention to stakeholder consultation.

Finally, it is expected that the dissemination of the results of this project will raise awareness on the importance of multifunctional agriculture and its contribution to the identity and related economic effects in a region. Farmers will be provided practical recommendations on how to intensify and professionalize this contribution. Organizations involved in strengthening local identity will receive guidelines on how to stimulate farmers and other rural players in their policy. Specific policy recommendations for more direct funding will release pressure on the limited funds for rural development. Finally, the focus in the research on four case studies will enable the formulation of practical suggestions for the strengthening of local identity in these specific regions.

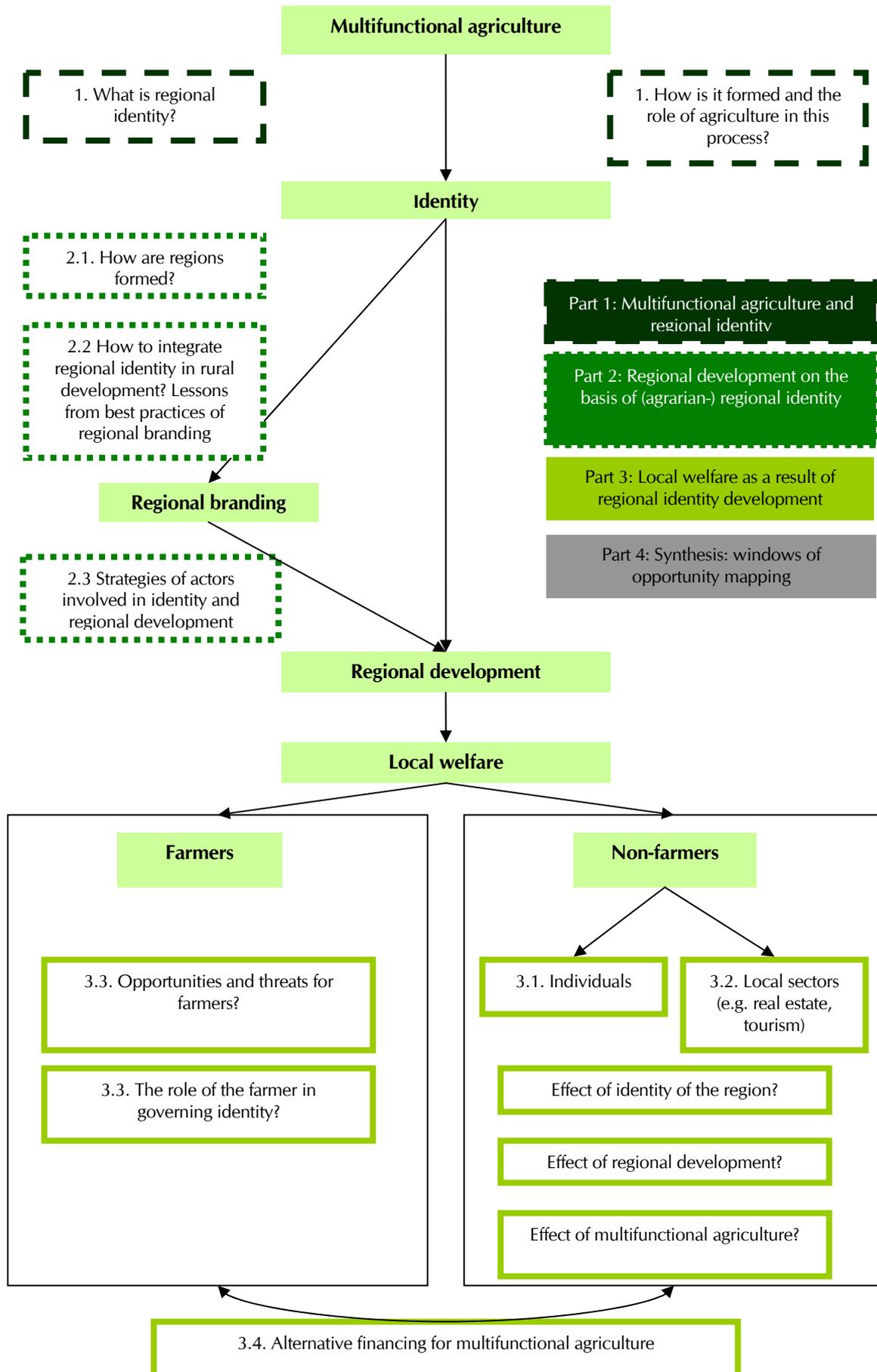


Figure 1 Conceptual research framework of the MUSICAL project

### 3. METHODOLOGY

In order to achieve these different objectives, the project applies several methodologies. In this section, an overview of all methodologies used in the project will be outlined.

An important aspect of this project consists of getting a profound understanding of several societal processes around the notions of identity and multifunctionality. Since theoretical frameworks about these concepts are existing insufficiently today, most objectives of this study are to build new and innovative theoretical frameworks in order to capture and understand the dimensions and the properties of these - up till now - obscure developments in society.

*Common methodology for parts 1, 2.1, 2.2, 2.3, 3.1 and 3.3.*

#### Grounded theory

For parts 1, 2.1, 2.2, 2.3, 3.1 and 3.3 Weber's term "Verstehen" is put right in the centre of the research, which means that the study of those parts gets a profound explorative character searching for new concepts, typologies, dimensions, contextual consequences, etc. Statistical analyses in these parts have been reduced to a minimum and will not be part of the main research process.

The method of **Grounded Theory** forms the prototype of this kind of research. However, several traditions exist in the method of Grounded Theory, which have a slightly different opinion on the use of external sources other than empirical data and on the use of a systematic research process of coding (Devillé, 2008). This study has adopted a more moderate tradition of Grounded Theory by integrating a substantial body of literature.

Grounded theory involves a consequential induction from empirically collected data in order to build theoretical frameworks. Creative coding of these empirical data into general categories and subcategories, and then relating and abstracting these categories should lead to central concepts which form the basis for a theoretical framework. Coding is the process by which parts of the empirical data, mainly paragraphs of interview's verbatim transcripts, are labelled with a well considered name. Creativity and careful interpretation of the data during this process are a prerequisite for the quality of the results. This inductive method for building theory involves a close interconnection between data collection and data analysis, which should happen simultaneously and whereby the theory should explain most parts of the process studied.

The results of a study conducted by the method of grounded theory are hypotheses. The objective is to put some order in parts of the reality which are not yet clear, so that the results give some theoretical surplus value. The objective is not to verify a theory.

As mentioned before, there is some disagreement in the different traditions of Grounded Theory, mainly about the use of external sources other than empirical data. This research however, will not start from a tabula rasa, but will integrate literature and other existing sources of data. They can be a source of inspiration and help to recognize relevant and valuable data.

Collecting empirical data in this research is done through the method of '**purposeful sampling**', which involves searching for information-rich data (Baxter & Eyles, 1997). Respondents or data should be selected in a way which maximizes learning possibilities concerning the research question. Sample size is determined by the need to involve as many experiences as possible for the development of the conceptual framework and saturation occurs when no new themes emerge. Specific attention has to be paid to atypical cases. Therefore, a lack of statistical representativeness is not a threat to the study.

#### Case Studies

Theory building within the method of Grounded Theory occurs through a constant comparative analysis looking for patterns within all data. Therefore, there is a need for a set of carefully but consciously chosen theoretical cases: a collective case study. This way, scientific credibility and transferability of the results can be strengthened since this is a kind of data-triangulation. From this point of view 4 regions in Belgium were

chosen as the main study areas. These are regions bringing forth information-rich data, and where a major part of the research will be executed. These regions are the only regions studied in part 1, 2.1, 2.3, 3.1 and 3.3, but will also be adopted in parts 3.2 and 3.4 of which the methodology will be explained later in this chapter. For part 2.2 however, because of the nature of its objectives, other regions will be studied. In this way, lessons can be drawn from best practice examples elsewhere in Europe, where a well-established identity is successfully exploited.

The **four main case studies** in Belgium, Meetjesland and Haspengouw in Flanders, and Parc Naturel des Deux Ourthes (PN2O) and the Gaume in the Walloon region, have been consciously selected based on initial findings in literature and explorative discussions with experts in this domain. Possible cases were checked for some criteria which are important in the framework of identity and regional development. The criteria used to select these cases can be divided into three main categories:

- 1) *Characteristics related to the identity of the region:* whether the region has unique selling points, the historical background of the region, whether the region has typical agricultural products and whether there is a unity in characteristics in the region;
- 2) *Characteristics related to how this identity is perceived:* whether the residents are aware of their region, the image the region has to outsiders;
- 3) *Characteristics related to regional development:* the presence of regional development organizations in the region, vital coalitions between actors in the regions, how the regional development process is organized, the goal of the regional development process and possible problems encountered in reaching this goal.

The four selected cases are interesting for our research objectives, since they are all active in regional development, but very different with respect to the aforementioned criteria.

In Figure 2 the four main Belgian cases, are situated.

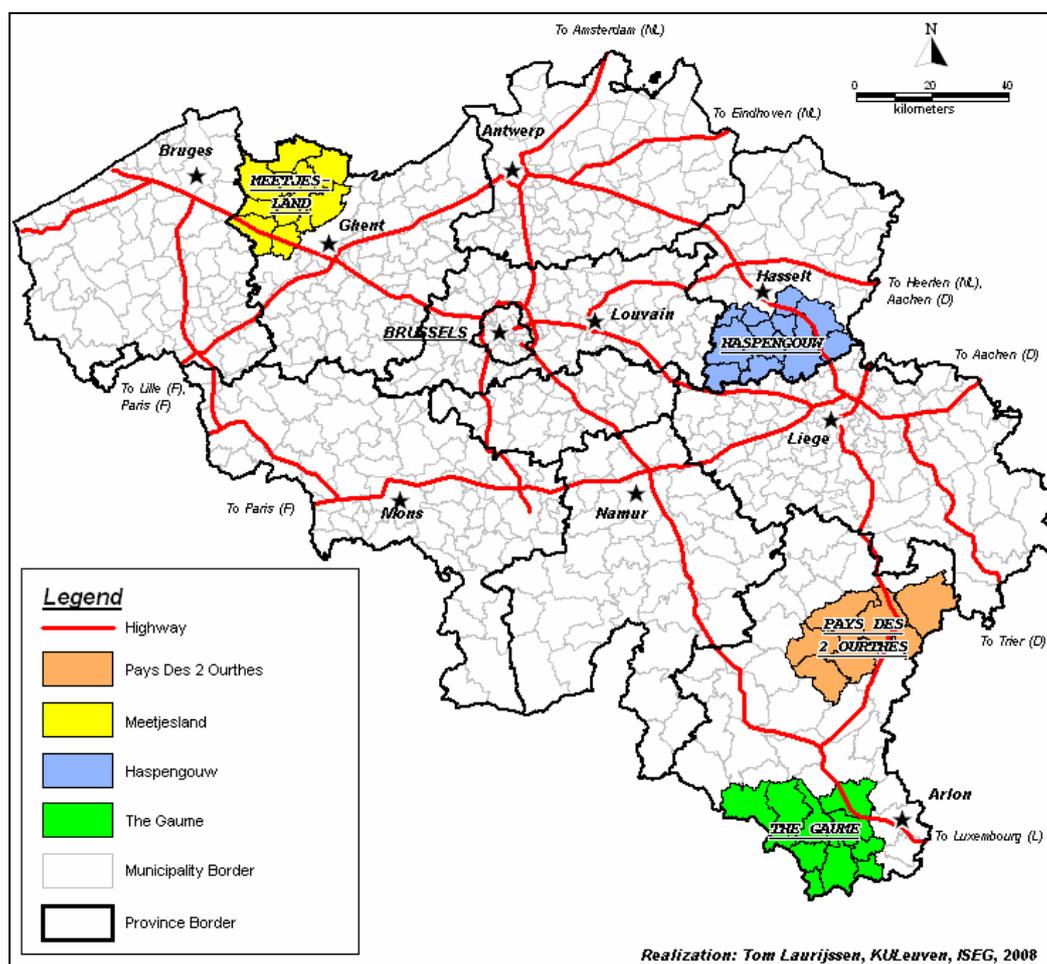


Figure 2 Location of case studies within Belgium

In order to clearly understand the results of each work package related to the case studies it is also necessary to have some understanding of what typifies the different regions.

Table 1 gives an overview of some important characteristics and shows that there are two remarkable differences between the Flemish and Walloon study areas:

- the Walloon areas have a smaller population and a much lower population density than the Flemish areas;
- the number of farms is a lot greater in the Flemish areas, especially when compared with the size of the area, and the farms are larger in the Walloon areas.

These differences in the presence of agriculture should always be remembered when looking at the impact of agrarian identity on the region.

**Table 1 General characteristics of the study areas**

	Meetjesland	Haspengouw	PN2O	Gaume	Belgium
area (in km <sup>2</sup> )	646.3	672.8	760.6	771.2	30527
grassland and arable land (cadaster, in km <sup>2</sup> , 2007)	464.7	397.2	322.8	271.6	16263.5
% grassland and arable land (cadaster, 2007)	71.9c	59.0bc	42.4a	35.2a	53.3ab
population (2007)	164039	199607	21798	50867	10584534
population density (inhab/km <sup>2</sup> ) (2007)	253.81	296.68	28.66	65.96	346.72
# farms (2006)	2342	2094	568	439	60736
# farms per km <sup>2</sup>	3.6	3.1	0.7	0.6	2.0
ha arable and grassland per farm	19.8	18.9	56.8	61.9	26.7

For part 2.2, as mentioned before, another set of cases were taken up in order to obtain lessons from best practice examples about the optimal organization of regional branding processes. Besides a literature review of some best practice examples outside Belgium, 3 cases were selected for a more empirical in-depth study. These are two foreign cases, West Cork in Ireland and Groene Woud in the Netherlands, and one Belgian case: Pajottenland. For this part, it was important to get insight into all the stages of the regional branding process, from the very beginning till the matured stage. On this basis, criteria were formulated and the cases were selected in order to cover different stages of this process and to ensure great mutual diversity, as presented in Table 2.

**Table 2 Best-practice cases for the study of regional branding processes**

	West Cork	Groene Woud	Pajottenland
Way identity is perceived and used	++	+/-	+
Development of the region	+	+/-	-
Stage of the branding process	Mature (°1994)	Intermediate (°2005)	Very beginning (°2008)

#### Data collection by in-depth interviews

Besides a short desktop analysis of some promotional and policy documents concerning the four main Belgian case studies, data in these 4 cases for parts 1, 2.3, 3.1 and 3.3 were collected through **in depth interviews** with people who, we assumed, could learn us something about our research questions. First of all our interviewees were **key persons from organizations involved in regional development**. As such, information could emerge about the notion of identity, about strategies for regional development and about the role of farmers. A total of 37 key persons has been interviewed. The main organizations in these regions were found by desktop research and an important selection criterion for the interviewees was diversity in perspectives. Interviews were mostly held in the working office of the interviewee and lasted about 1 to 3 hours. Topics of the interviews with key persons from organizations were the identity of the region, the organizations occupied with this in the region, the links between these organizations and the link with citizens and farmers, etc.

In a second phase, **farmers with multifunctional strategies** (also called diversification) were interviewed in the four regions. This could yield information about the concept of identity, the possible role of farmers in regional development, and problems related to this. The selection of the farmers is done through snowball sampling, paying attention to a sufficient amount of independent starting points, spatial diversity in place of residence and diversity in multifunctional strategies. Extra farmers were found through desktop research and promotional documents. A total of 25 farmers has been interviewed. These interviews were all held in the residence of the interviewee and lasted about 1 to 1.30 hour. Topics were how these farmers contribute to the region, whether there are advantages or disadvantages of regional development for farmers, their link with government bodies or organizations involved in regional development, etc.

All these interviewees in the 4 main cases were contacted by telephone or mail. All interviews but one were audio-taped after complete agreement with the interviewee. Most of them were verbatim transcribed and checked by the person who conducted the interview. When a verbatim transcription was not possible, a summary has been made on the basis of field notes. In total, 62 interviews were done. A list of the interviewees can be found in Table 1 of the Annex. Since different researchers would conduct the interviews a common guide with the objectives, the topics to be asked and some remarks was developed as a basic tool for all the interviewers. Topics to be asked were outlined based on the initial findings in literature and during several internal seminars. Refinement of these topics took place after the first interviews. Attention was paid to create trust between interviewer and interviewee and to conduct the interview in an open manner such that the interviewer may avoid or expose untruthful answers or may pose extra questions if necessary.

For the case studies of part 2.2, the **best practice cases**, data were also collected by means of in depth interviews. Key informants of the region were contacted and interviewed first. In West Cork and Pajottenland, this key informant was the coordinator of the local action group of Leader+. In Groene Woud, this was a farmer who is active in many regional developments associations. These key informants referred to other possible interviewees (snowball sampling, see above), which could be farmers, entrepreneurs, local guides, mayors, chairmen of local societies, teachers, priests, etc. A total amount of 27 interviews with people involved in regional development was carried out in these 3 best practice cases with respect for enough diversity in perspectives. A list of the interviewees can be found in Table 2 of the Annex. The same way of conducting in depth interviews as done in the 4 Belgian cases (i.e. contacting interviewees, creating trust, open manner, place of interview, audio-taping, transcription, etc) was applied in this part 2.2. Topics of the interviews were the region, the region's agriculture, regional development and regional branding processes.

As mentioned before, interviews are analyzed - mainly by means of the software NVIVO - by coding the text paragraphs of the interviews' verbatim transcripts which should lead to meaningful categories and concepts (see above). Credibility of the results will be strengthened by an investigator triangulation since different researchers are active on the same data. A moment of peer review with experts in this domain will be foreseen in the second phase to discuss the researchers' interpretation.

#### Data Collection by Surveys

In the second phase of the project **surveys** with both qualitative and quantitative elements are planned in all these aforementioned cases studies. For parts 3.1 and 3.3, a survey will be held in the 4 main cases which targets citizens and farmers to ask them about their experiences with, and the effects of, a regional and identity development. Some questions in the light of part 3.2 will be taken up. The approach of a web survey will be followed here, but paper copies will also be made available. The idea of a web survey has been consciously taken to gather data from farmers and citizens in a more rapid way than interviews without losing the qualitative aspects of our objectives. A sufficient amount of different societal groups in the sample will be necessary, but for the purpose of part 3.1 statistical representativeness is not the main concern. Contacts with regional organizations through the interviews will facilitate the distribution of the surveys.

For part 2.1, a theoretical framework concerning region formation and regional identity construction also forms the basis for an in-depth survey - accomplished by a review of broad observations and selected evidence (literature and interviews with key-persons) - of the Flemish and Walloon case studies. From this survey, some important success factors concerning the construction of regional identities can be extracted.

Other methodological tools are needed to answer the research questions in the other parts of the project.

### *Methodology of part 3.2*

Part 3.2 of the project focuses on the economic impact of multifunctional agriculture on other sectors in the area, namely on tourism, real estate and land prices. This impact will be assessed by using a **hedonic pricing method**. Within hedonic pricing, the assumption is made that people value the characteristics of a good, rather than the good itself. Thus, prices reflect the value of a set of characteristics or attributes that people consider important when purchasing the good. Therefore a function can be built in which price is explained by attributes of the good or service. The marginal implicit price of any of the good's attributes can then be found by differentiating the hedonic price function with respect to the attribute. Evaluated at an individual's optimal choice, this implicit price represents the individual's marginal willingness to pay for the attribute (Irwin, 2002). In literature this method has been used to estimate the impact of landscape, namely open space or green space on house prices and sales of property.

In a first step, the average selling price of a private house in the municipality and the average selling price of building land at municipal level are analyzed. Data are collected for each municipality in Belgium and for four different years (1990, 1995, 2000 and 2005) leading to a larger dataset and more possibilities for research (panel data). To find the best function for real estate or land price as many relevant attributes of houses or land as possible have to be defined. Sometimes this is limited because of the lack of data. One such problem was encountered on multifunctional agriculture attributes, because no data series exists for the whole of Belgium. Therefore a variable for multifunctional agriculture was built, using information gathered within two projects (Calus et al., 2005; Van Huylenbroeck et al., 2005). Within these projects, the number of multifunctional farmers in West-Flanders and the fringe of Brussels was registered. Furthermore, it was researched which characteristics of farmers can explain the uptake of different types of diversification. Data on some of these characteristics are available for all municipalities in Belgium. This makes it possible to extrapolate the percentage of multifunctional farmers per municipality to all municipalities in Belgium.

As mentioned previously, to obtain more information about some issues, part 3.2 includes three questions in the survey for the four main case studies.

### *Methodology of part 3.4*

In order to assess the public, economic and governmental basis for alternative financing, different **workshops** will be organized in well-selected regions.

A financing construction - containing alternative financing mechanisms - has been proposed to a broad field of actors during a workshop (29th of April 2008) in the 'Meetjesland' region. The aim of the first workshop was to verify whether or not there is a public support for different alternative financing mechanisms. A second workshop will be organized (in the spring of 2009) within the same region so that information about the governmental and economic basis will be acquired.

Since the support for alternative financing will be different in a more urbanized context - assuming that the public character of and the responsibility for the open (rural) space is more explicit in an urbanized context - a third workshop will be arranged in the 'Leievallei' region in the spring of 2009.

### *Methodology of part 4*

Opportunities for arriving at a competitive and sustainable agriculture through exploring the multifunctionality and local identity paradigms will be mapped, in the context of part 4 of the project. This **windows of opportunity mapping** must be interpreted in a very broad sense, not only a geographical map of zones (or spots) with high potential, but also as more qualitative information. The technique of a radar graph will be used to integrate all information.

In addition to this technique, a moment of member checking is foreseen in the form of **focus groups**. This approach is in line with the tradition of participatory research. Three focus groups are planned: one with farmers and representatives of farmers' organizations, one with representatives of organizations involved in regional development and finally one with experts (both academic as non-academic) in this field. Only after these focus groups are done, the final results will be presented.

The preliminary results of the study will be presented to all stakeholders and people interested, by means of a practical **folder** with the main conclusions and results, and articles in the local or agricultural press. At the end of phase 2, the results of the project will be presented at a **workshop**, for which all stakeholders will be invited.

### Overview of the different methodologies used in the project

To conclude, Table 3 provides a schematic overview of all methodological tools used in the project, and all cases studied.

**Table 3 Schematic overview of the methodology used in the project**

	Part 1: Multifunctional agriculture and regional identity		Part 2: Regional development on the basis of (agrarian-) regional identity			Part 3: Local welfare as a result of regional identity development				Part 4: Syn-thesis
			2.1	2.2	2.3	3.1	3.2	3.3	3.4	
	Literature study									
Haspengouw	Inter-views	Survey			Inter-views	Survey	Survey	Inter-views		Focus group
								Survey		
Meetjesland	Inter-views	Survey			Inter-views	Survey	Survey	Inter-views	Workshop	Focus group
								Survey		
Pays des Deux Ourthes	Inter-views	Survey			Inter-views	Survey	Survey	Inter-views		Focus group
								Survey		
Gaume	Inter-views	Survey			Inter-views	Survey	Survey	Inter-views		Focus group
								Survey		
Leievallei (Menen-Kortrijk)									Workshop	
Pajottenland			Inter-views							
			Survey							
Belgium							Hedonic pricing			Wind. Opp. Mapp.
Best-practice cases outside Belgium (West Cork, Groene Woud, ...)			Inter-views							
			Survey							

Note: Wind. Opp. Map. = Windows of Opportunity Mapping

## 4. RESULTS

In the following, the preliminary results, obtained in the first project phase, are described. They are structured on the basis of the conceptual framework, shown in Figure 1. In the first part, the concept of regional identity will be described and how multifunctional agriculture contributes to this. It will also indicate the influence regional identity has on regional development processes. In the second part, these regional development processes are studied more in detail. Region formation processes are studied and light is shed on how to integrate regional identity into rural development programs. Finally, this part deals with different strategies of actors in developing the identity of their region. The last part looks at the effects of regional development based on an agrarian-regional identity. Studying experiences of citizens towards these regional development processes is dealt with in the second project phase. For now, the results focus on effects on specific economic sectors in regions and on the region's farming population. Eventually, this part looks at possibilities to link citizens to the multifunctional farming sector, in describing alternative ways to finance this type of agriculture. The synthetic part of the research is, logically, also planned in the second project phase.

### **Part 1: Multifunctional agriculture and regional identity**

#### ***The soul of space***

In the contemporary literature on spatial development, "identity" seems to have become a magic word to give the old spatial, functional and rational planning new impetus (Ernste, 2005). That old planning system has not worked because one very important element was missing: no consideration was given to the "meanings" that places can have for individuals (Gustafson, 2001). In this case, Boelens (2006) even speaks of an era without plans in which regional development is no longer the exclusive domain of town and country planners and policy makers, but increasingly goes towards the emotional direction of cooperative models with participation of social groups and citizens (Curré, 2007; Raagmaa, 2001; Ernste, 2005). Also Kolen (2006), Curré (2007), Gustafson (2001), Twigger-Ross & Uzzell (1996) show that places are not abstract quantities, but that they are part of the inspired life of the people and contain a "genius loci" (Raagmaa, 2001; Kolen, 2006; Bell, 1997; Reinders, 2005). Other formulations such as sense of place, (Agnew, 1987 in Gustafson, 2001) or place objectives (Canter, 1997, in Gustafson, 2001) are also commonly used. It is the so-called "cultural turn" in the spatial sciences (Reinders, 2005; Meys, 2006).

#### ***Spatial identity is complex.***

But how should we understand the notion of identity? Kruit et al (2004), Curré (2006), Kolen (2006), Reinders (2005) en Ernste (2005) indicate that identity is a multicomplex concept that is difficult to grasp and relates to a whole lot of things. Kruit et al (2004) even speaks of a "container term" that both deals with the characteristic features of an area, with which it differentiates itself from other areas, and with the attachment that residents feel to their region, as with the internal and external identity and identity as a means to stimulate regional development.

Curré (2006, 2007), Ernste (2005) and also some key persons from our empirical research indicate, it is very important to rise above the idea that identity is the same as the history or biography of a region, tradition or folklore. Next to this, also the spatial scale is an important component that takes part in spatial identity (Meys, 2006; Meys, 2007; Gustafson, 2001; Cuba & Hummon, 1993; Simon, 2005; Twigger-Ross & Uzzell, 1996; Ernste, 2005; Van der Wouden, 2005).

#### ***Spatial identity in relation to the personal identity***

It is important to set spatial identity in relation to the personal identity of individuals. The environmental psychology puts the relationship between people and place central, with a focus on the psychological aspects of this and the related human behaviour. Relph (1976, in Gustafson, 2001:6) identifies in this respect 3 components of a place: "physical setting, activities and meanings". Raagmaa (2001) mentions in his study a framework of Maslow that reflects human needs. This clearly shows that people in addition to their basic needs also have a number of psychological luxury needs that meet the mental functioning. Important elements are the "self realisation" and the "belongingness". Curré (2007) also lists that people indeed have a major urge to belong somewhere, to live in a cosy place for themselves and their children, where people need not live in fear and stress. It is natural to man to make a distinction between "us" and "them". Processes of inclusion, exclusion, migration and integration are widely known today (Curré, 2007; Ouweland & Van

der Horst, 2005). People will attribute "meanings" to the observed characteristics of a place, making the environment more than just a random collection of physical and material elements. They will identify themselves with a certain area, not only with the landscape, but with the whole set of culture, sociality, morality, tradition and the whole social system, specific to that region (Raagmaa, 2001). Our preferences for a certain place, not only where we live, but also where we travel and work (McCabe & Stoke, 2004), are therefore related to our personal identity, our tastes and interests (Ernste, 2005) and reveal who we are (Meys, 2006; Dixon & Durrheim, 2000). Twigger Ross & Uzzell (1996) speak of the identity principles of Breakwell, while Gustafson (2001) talks about "dimensions" and Curré (2007) speaks of a heartfelt force that guides the behaviour of people in respect for a certain place.

### ***Identity and globalization***

The fact that identity arrived as a magic word in science only in recent decades has everything to do with the changing global social structures. Globalization and localization have not to be each others opposite (Simon, 2005; Van der Wouden, 2005). Where previously the image of a region, which was rather geographically determined by soil, climate and location, was hardly subjected to changes and the identity was understood as established, nowadays everything can occur everywhere because of the enormous mobility and telecommunication. From the moment that everything could take place anywhere, processes of blunting occurred with the emergence of many 'non places' (Reinders, 2005). Because of this, the identity of spatial areas, previously understood to be established, began to encounter large ruptures and changes. This critical period with blunting and rapidly changing processes brings forth that people in that uncertain world with external influences, are constantly searching for an environment that satisfies to their wishes and needs of that moment and makes them show willingness for developing their environment. The spatial design of places moreover becomes more and more a plaything of social negotiation processes in the global world (Reinders, 2005; Ernste, 2005; Paasi, 2002; Roca et al, 2006; Simon, 2005; Paasi, 2003; Massey, 1994 in Gustafson, 2001). Indeed, it is only at the time when identity went in crisis that one began to pay attention to this concept.

### ***Many regional identities***

In Figure 3 it becomes clear that the identity of a spatial area comes into being from the meanings, narratives and images people attribute to the area on the basis of some typical characteristics (bearers). The filtering processes between what one observes and regards as valuable are of course related to the personal identity. We also want to make it clear that we do not speak of one regional identity, but that there are in fact many regional identities that in a dialectical perspective interact with each other (Curré, 2007; Van der Wouden, 2005; Reinders, 2005; Meys, 2006; Simon, 2005; Gustafson, 2001; Twigger Ross & Uzzell, 1996). Also the demarcation of a region, for example, is not a native matter, but a social construct that may undergo changes (Van Herck, 2004; Paasi, 2002; Simon, 2005; Massey, 1994 in Gustafson, 2001). Equally, this identity is constantly in motion, evolving, owing to its constructivist nature. Of course, this does not mean that there may not be a common "storyline" (Curré, 2007; Curré, 2006; Curré, 2008) or "canon" (Kruit et al, 2004) present. Meys (2006) mentions in Figure 4 that labels of places can not only be formed by direct experience of the insiders, but also by established images in the media by outsiders. All this is placed in a global social dynamic framework that may change rapidly.

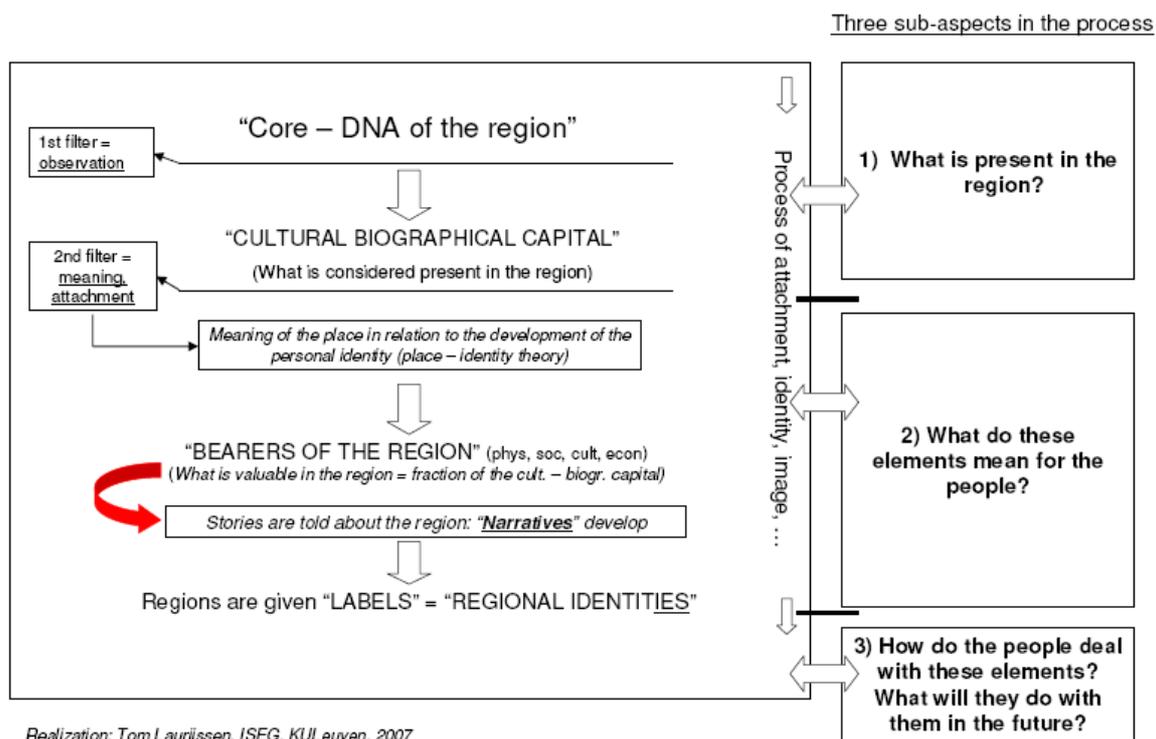


Figure 3 The identification process

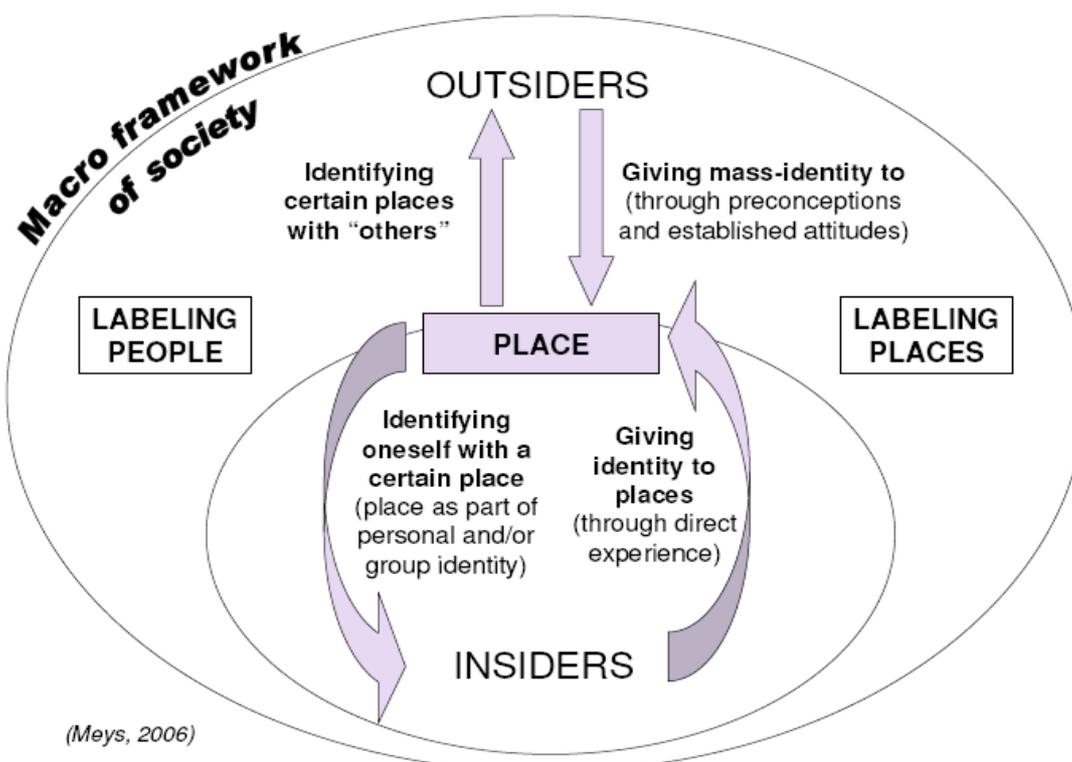


Figure 4 Meys' identification process

### Part 2: Regional development on the basis of (agrarian-) regional identity

While the previous section looks at regional identity from the inside, as a social constructive process, the next section focuses on the region. It discusses how the formation of regions and regional identities are inextricably bound up. Regional identity in this part is therefore seen from the outside and in a historical perspective.

Initiatives that use the regional identity for rural development are considered, with specific attention to regional branding. Eventually, strategies of actors in the regional development process in the four Belgian cases are discussed.

## 2.1 The formation of regions: agrarian-regional identity within a broader social context

This part of the research wants to answer three questions:

- how regions and agrarian-regional identities can be (re)constructed;
- how this regional identity is gaining importance in a global context;
- and finally whether these processes can also be seen in Belgium.

Based on an extensive literature review, a theoretical framework concerning region formation and regional identity construction processes has been developed. In order to test the relevance of the framework, this was applied to the 'Pajottenland' region. In this context the region is considered to be a **best practice** since there is already a quite manifest regional identity. A clear insight into the processes that influence the development of the regional identity was gathered through unraveling the paper of Meert (2005) about the origin of the territorially based working (and planning) in the 'Pajottenland' region.

### ***A theoretical analysis of the formation of regions and regional identities***

The extensive literature review has learnt that the rise of regional identities has to be framed in the broader context of the construction processes of regions. These processes are part of the perpetual transformation of the spatial system, in which regions emerge, exist for some time and may then disappear (Paasi, 2000). Two major perspectives can be discerned regarding the formation of regions. In a structurally oriented perspective the region can be seen as a logical outcome of broader trends and pervasive developments (such as globalization, state restructuring and scale enlargement). In an agency-oriented perspective regions are seen both as products and constituents of 'social action'.

Legendijk (2007) assembles the two perspectives in a framework (Figure 5) in which the construction processes of regional identities can be studied more thoroughly. The linking of the structurally and agency-oriented perspective is framed within an evolutionary process (in three steps) in which the region respectively becomes privileged (and significant) and subsequently achieves coherence when further institutionalized.

The first step occurs when a limited set of pervasive economic, political or social driving forces (e.g. globalization, scale enlargement) opens some windows of change. Legendijk indicates that the emergence of regions is induced by roughly four windows of change.<sup>1</sup>

Subsequently, these various windows are being converted/translated into specific forms of policy-making and into practices and performances of agents and organizations 'in the field', both facilitating the construction of regions. With regard to the former it is observed that the role of the nation state as a policy-maker has weakened and that there has been a shift in governance, *both vertically and horizontally*. Policy aims (and frameworks) are increasingly formulated within the European Union, whereas the actual implementation of these supra-national aims is increasingly delegated to the regions. Furthermore there is also a horizontal shift in governance in which regional development is seen as a joint responsibility of government, private enterprise and civil society organizations (Wiskerke, 2007).

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<sup>1</sup> From an economic point of view the region can play an increasingly key role in knowledge development and innovation processes and by this in enhancing the economic competitiveness.

A second window can be identified, which stems from developments in state governance. State apparatuses have lost much of their strategic overview and administrative capacity to manage societies. Regions, where new forms of policy effectiveness and public participation are advocated.

Thirdly, under the influence of processes of globalization and individualization, the region gains a central role in the creation of identity (Paasi 2000). The perception of having become part of what is called the global space of flows seems to lead to a quest for a sense of place and a sense of belonging (Castells, 1997).

The local-regional level itself provides a fourth window. Changing physical conditions and usages (notably in transport and land-use patterns) have increased the need for coordination at the inter-municipal (or city- regional) level. It is also at this regional level that it is possible (though not easy) to formulate sustainability goals

Finally, these 'new' practices and policy-making become regularized and institutionalized in new forms of regional governance. In this stage, regions are the result of four basic (and simultaneous) processes of institutionalisation - namely territorial, institutional and symbolic shaping, and internal/external recognition (Paasi, 2000). These processes should be understood in terms of social construction. If regions achieve an – internally and externally – recognized position, they receive an 'established' role in the territorial structure, hereby having a certain 'regional identity'.

Summarized, the construction of regional identities is closely intertwined with and cannot be detached from the broader social phenomenon of region formation. Regional identities are in fact cause and effect of the region formation.

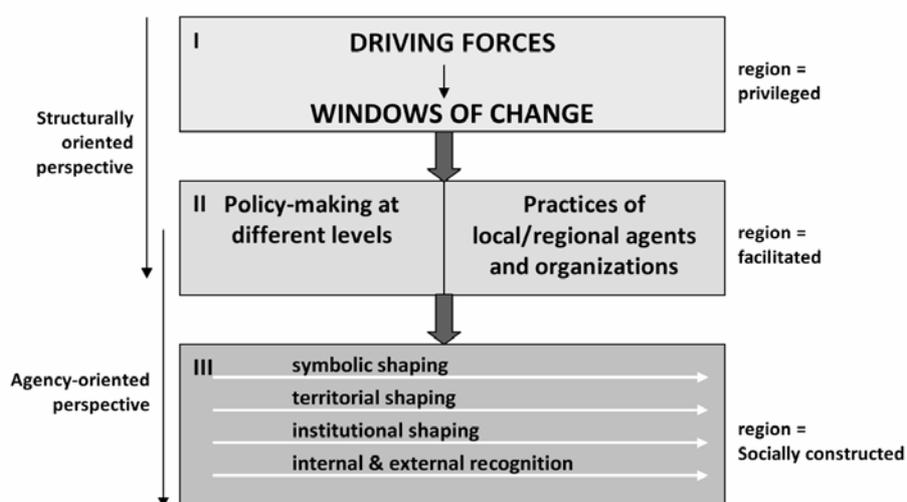


Figure 5 Theoretical framework of work package 3.1 (Source: revision of Lagendijk (2007))

### ***A closer look at region (and regional identity) formation processes in the 'Pajottenland' and the 'Meetjesland' region***

The framework (as described above) is also the basis for an in-depth survey of the region formation processes in the 'Pajottenland' region as a best practice and the 'Meetjesland' region as a case study. Since it is assumed that the driving forces (and the related windows of change) have basically a similar impact in the two regions (but in the other Flemish and Walloon regions as well), the focus of the research is on the second and the third stage of the theoretical framework. In particular the institutionalization processes – i.e. the territorial, symbolic and institutional shaping and the established role – and the external conditions influencing these processes – i.e. the different kinds of policy making and local/regional practices – are highlighted within this survey. With this kind of analysis it is possible to gain insight into various success factors that determine the (re)construction of regions in general and regional identities in particular.

#### 2.2 Integrating regional identity in rural development: lessons from best practices of regional branding

In this part of the research, we want to know:

- Which initiatives have already consciously been taken to use the existing regional identity as a key actor in rural development?
- In which way and to what extent the regional identity is influenced by the agricultural sector or (multifunctional) agricultural activities?
- How can identity contribute to the reinforcement of social capital?
- Which are the critical success factors in the creation of a brand and in the regional branding process in general?

In the study of rural development initiatives that place the individual character or identity of the region central, there is a distinction between two types of initiatives (de Bruin, 2008):

- Initiatives with a **focus on the product**, that is distinguishable for the consumer and clearly related to the region. This product is typical for the region and the emphasis is on the origin of the product. Producers of this typical product organise themselves and cooperate for the sales and marketing of

the product. Some examples of these initiatives are Parmigiano-Reggiano cheese (Italy), Prosciutto di Parma (Italy), Beaufort cheese (France), etc.

- Initiatives with a **focus on the region**. These initiatives try to market the qualities of the region in the broadest sense (nature, landscape, culture, tourism, regional products). These are **regional branding** projects, where the region as a whole becomes a product or brand (Renting, 2008). Some examples of these initiatives are Eifel (Germany), West Cork (Ireland) and Groene Woud (the Netherlands).

### Regional branding

The case studies for this part can all be classified in the second category of initiatives, the regional branding initiatives. The regional branding process does not only affect farmers, but has the intention to strengthen the whole rural economy. Farmers do play an important role, but also other rural entrepreneurs can go along with the regional identity. Figure 6 gives an overview of the regional branding process, the different actors and contexts. The specificity of the offered products and services is based on i) the local natural resources e.g. biodiversity and ecology, ii) some socio-cultural elements like the regional identity and iii) other location factors. All these elements are essential to the so-called territorial resource base, in Figure 6 indicated in yellow. The producers and/or suppliers of these products and services are among others farmers, tourism enterprises, local entrepreneurs, restaurants etc. Different kinds of collaborations arise and this creates synergy within the rural economy. This market environment is indicated in blue in the figure. The third part of the figure, indicated in green, is the policy environment. Policy actors on local, as well as territorial or extra-local level influence the farmers in their activities and projects.

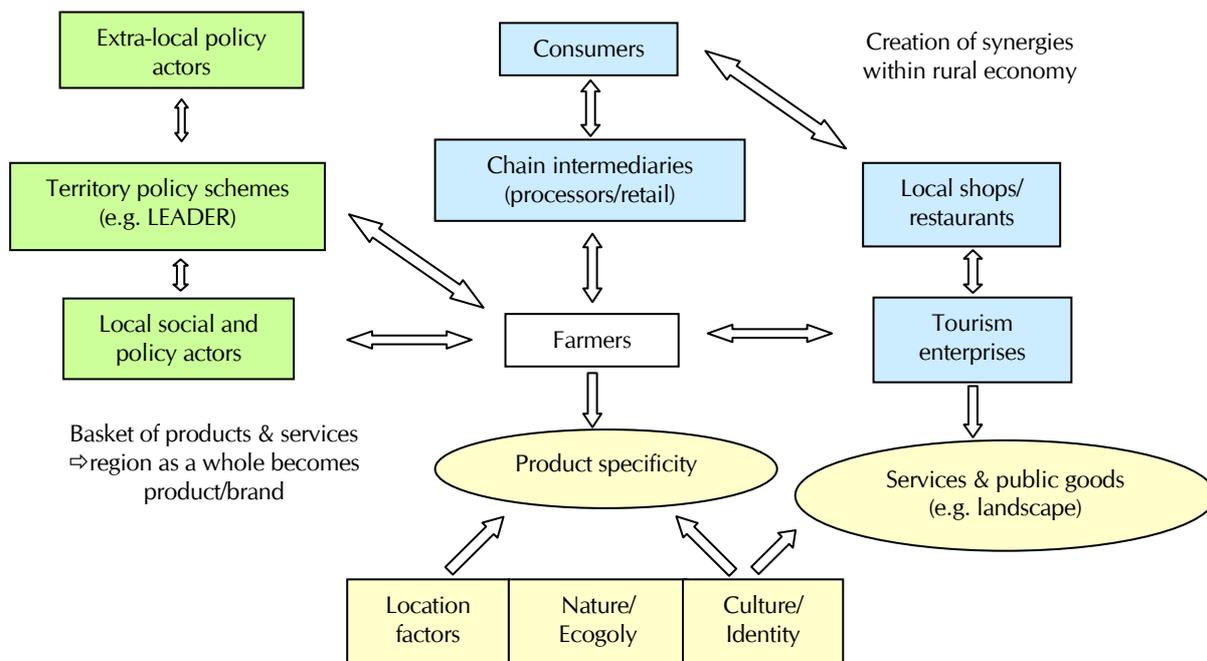
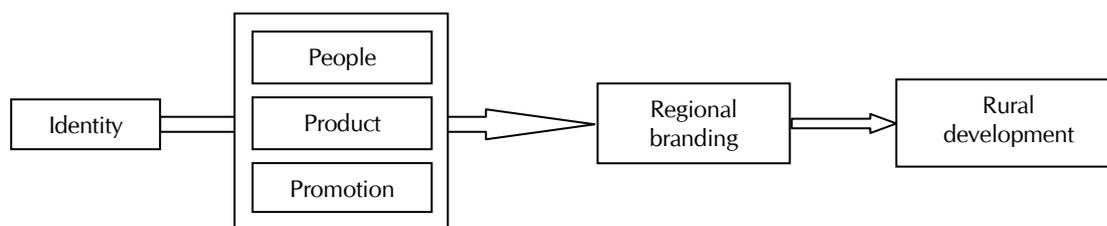


Figure 6 Schematic reproduction of different aspects in the regional branding process (Source: Revision of Renting (2008))

### Critical success factors arising from the analysis of the interviews in the case study regions

Up till now, three best practices have been studied: 'Het Groene Woud' (the Netherlands), 'West Cork' (Ireland) and 'Pajottenland' (Belgium). Semi-structured interviews were carried out in each region (see section 3 on methodology). The regions Groene Woud and West Cork were visited first and the analysis of these interviews led to the formulation of a tentative list of critical success factors, subsumed in different categories. These categories and their mutual relation can be found in Figure 7.



**Figure 7 Categories of critical success factors and their mutual relation**

The categories include a number of critical success factors, distracted from the interviews. Some critical success factors belong to two categories, because of difficulties to allocate them to only one category.

#### Identity

- An identity should not be created through a top-down process.
- One has to accept that one region can have different identities and these identities are based on historical but also on modern elements.
- It is an advantage to have a common starting point from which the regional identity can be developed, e.g. a monument, a documentary, a booklet,...
- When several entrepreneurs of the same sector (start to) have a business in the same region, a new identity for the region can be created (bottom-up), related to those business activities. Having a lot of concolleagues (competitor-colleague) is an advantage in this case.

#### People/network

- A network of people in (and out) the region is very important: knowledge can be shared and cooperation will be easier.
- Training makes an accelerated progress possible.
- Independence of existing organizational and government structures (e.g. Boerenbond, provincial government,...) gives an opportunity to develop innovative ideas.
- Communicate the vision and objectives of the development plan to the inhabitants of the region.
- The involvement of outsiders in the branding process has positive effects. Outsiders often have a better insight in the positive and negative elements of the region. They can point out the positive elements to the inhabitants, who get more aware of the attractiveness of their region and are willing to dedicate themselves for their region.
- Enthusiastic leaders (pioneers) are indispensable in the development process.
- The co-ordinator must be approachable by anyone in the region.
- Co-operation with other regions can be very useful.

#### Product

- Characteristics of a good regional product or service: authenticity, distinction, quality, emotion.
- Label the products:
  - o Minor effect if only marketed towards the local population.
  - o Quality control of product and production process is essential.
  - o The design of the label is very important: colour and format of the label have to be the same on every packaging material in order to be recognized by the customers. Design specialists should be called in.
  - o The formulation of a manual with instructions for the use of the label prevents negative associations by customers.
- Producers with a label are to be found trustworthy, not only by customers but also by financial institutions.

#### Promotion/Communication

- Characteristics of the marketing process:
  - o Target group must be well-defined.
  - o First local for local, later the cities around the rural area and finally nationally/internationally.
- An article in the (regional) newspaper has a lot more impact than conventional publicity.

#### Branding/Development process

- There is no such thing as a standard development process: the process must be adapted to the region.

- In the development process a bottom-up approach is advisable, but the actions must be co-ordinated: the local inhabitants, entrepreneurs, local organizations,... must be involved in the formulation and implementation of the development plan of the region, but to make sure that they can keep to their main duties, a co-ordinator must be appointed.
- Enthusiastic leaders (pioneers) are indispensable in the development process.
- Passion is indispensable in every development process.
- The involvement of outsiders in the branding process has positive effects. Outsiders often have a better insight in the positive and negative elements of the region. They can point out the positive elements to the inhabitants, who get more aware of the attractiveness of their region and are willing to dedicate themselves for their region.
- The coaching and actual writing down of the business plan must be left to a project agency.
- Co-ordination should not be patronizing: let the entrepreneurs take care of their own business.
- Action must be undertaken as soon as possible, to make sure everyone stays involved. A vision, strategic and operational objectives will be formulated later.
- ↔ A well thought-out and criticized business plan must be formulated prior to any action.

#### Rural development

- The process of rural development must be started because of intrinsic interest in the region and its development, not because of the availability of money.
- Branding is a means to attain rural development, not a goal in itself.
- Economic sustainability: financial supported projects must be able to continue without support.
- Co-operation of different rural actors is an extra driver in rural development.

These categories and their critical success factors will be refined and completed, based on the results from the interviews in Pajottenland. The interviews with people from regional associations are already finished, other interviews with farmers are planned for February 2009. In November 2008, a regional branding project was set up in Pajottenland and Zennevallei, an adjacent region. The intention is to follow up this project and stay in close contact with the coordinator and key actors of the project.

**Table 4 Contextual factors**

<b>Policy environment</b>	<b>Market environment</b>	<b>Territorial resources</b>
<i>Sociopolitical/ institutional contextual factors</i>	<i>Economic and market contextual factors</i>	<i>Main descriptive factors</i>
<ul style="list-style-type: none"> <li>- Urban-rural interrelations</li> <li>- Role of farmers' associations/ unions in rural policies</li> <li>- Attitude of farmers' associations/unions towards collective action</li> <li>- Territory based policies</li> </ul>	<ul style="list-style-type: none"> <li>- Competition on relevant markets</li> <li>- Ownership of actors on the markets</li> <li>- Type of marketing strategies</li> <li>- Relations between actors on the markets</li> <li>- Importance of local, regional and national markets</li> <li>- Importance of international markets for buying and selling products and services</li> </ul>	<ul style="list-style-type: none"> <li>- Proximity to urban centers</li> <li>- Natural conditions</li> <li>- Production conditions for agricultural land use</li> <li>- Relative importance of agriculture for regional income and employment</li> <li>- Density of farms with similar production structures</li> <li>- Job opportunities in other sectors</li> </ul>
<i>Institutional support to farmers' initiatives</i>		<i>Sociocultural contextual factors</i>
<ul style="list-style-type: none"> <li>- Existence of formal regulatory framework for collective action</li> <li>- Rural public-private partnerships</li> <li>- Institutional facilitation capacity</li> </ul>		<ul style="list-style-type: none"> <li>- Culture and positive experience of cooperation</li> <li>- Rural social cohesion</li> <li>- Presence/absence of agriculture in local identity</li> <li>- Traditions of particular agricultural production</li> <li>- Specific processing skills</li> </ul>

After the analysis of the interviews in the three regions and comments from the follow-up committee, there was a need to link the findings from the interviews to some region-specific elements. That is why in the next phase of the project, additional attention will be paid to a number of contextual factors and the inventory of the capital assets of each region. For each context (market context, policy context and territorial resource base), described in Figure 6 a number of contextual factors can be formulated (based on Renting, 2008). The three contexts and their related contextual factors are presented in Table 4. By means of figures and surveys

for the stakeholders, the contextual factors will be elaborated for each region in order to obtain an overview of what is present in the region and to find out which factors are enabling or limiting the regional branding process.

### 2.3 Strategies of actors involved in identity development in the 4 Belgian cases

While a more theoretical study of strategies of actors in identity development will take place in the second project phase, some preliminary insights could already be derived from the fieldwork in the two Walloon cases. Instead of describing what actors are doing in the regions, the focus of these preliminary results is more on what actors should do in order to develop the identity of their region. In this way some essential intermediate steps in the research are missing, but it is believed that these intuitive recommendations on identity development and regional branding are interesting for policy makers. Moreover, they indicate the extent and quality of the data that have been collected and they confirm some of the critical success factors drawn from the best case practices.

The Gaume can be positioned as an intermediate region on the scale of the branding process. The Parc Naturel des Deux Ourthes is working on its identity by trying to create a sense of belonging among residents, but has not properly started a branding process as such. These two Walloon cases lead to the following preliminary reflections illustrated by some striking citations from the fieldwork, illustrating some of the critical success factors mentioned in part 2.2. These reflections will need to further be analysed from the theoretical perspectives of the different work packages.

First of all, there is a need to have a **bottom-up approach** when a regional branding process is considered. Before starting to brand a region towards outsiders, policy makers have to take into account inhabitants'

- collective roots :  
*"Here, it comes very quickly to an egalitarian relation. (...) Is it because there has been a fundamental change in the population (...) when there has been an epidemic of the plague in the region? Or is it because many inhabitants worked in the iron and steel industry? (...) Was the fact that the village was built in 1920, and had the collaboration of many workers for the reconstruction, a doorway for a greater protest in a strictly rural place? Anyway, this egalitarian mood/feeling is maybe an important characteristic worth thinking about to valorize a region."* (Association Histoire Collective of Rossignol)
- expectations for the future :  
*"It is important that the inhabitants of a region feel at ease with the clothes that have been made for them. Otherwise they will not wear these..."* (Association Histoire Collective of Rossignol)

When looking into what makes up the identity of the territory, attention should be paid to the **right scale**, bearing in mind that

- even a rather coherent territory may not always be homogenous:  
*"The Northern part of Gaume is a more desolate region, which is less stereotype and represents less the brightness of the Gaume (editorial note: compared to the southern Gaume)." (Leader LAG of the Beau Canton de Gaume)*
- dominant, secondary and emerging identities coexist :  
*"La Roche en Ardenne ! That evokes a lot ! (...) We are dealing here with micro-markets and according to the situation; the one or the other incentive will be applied."* (Maison du tourisme du Pays d'Houffalize – La Roche-en-Ardenne)

To support the process **institutionally**, actors active in regional development should

- set up a coordination :  
*"We can see each of these projects just on its own (...). There needs to be an engine that unites us."*(Maison du Tourisme de Bastogne)
- agree on the clear focus of each institution, to avoid actions going in opposite directions or overlapping themselves :  
*"I think there is a lack of unity ... because of the system and finally there are 2 or 3 operating authorities pursuing the same goal ."* (Municipality of Gouvy)  
*"It is a question of making 7 or 8 large wooded massifs, and these massifs would go beyond the boundaries of the different touristic regions. (...) That complicates the touristic overview. (...) A lot of projects are becoming identical and are not always developed in harmony with the different stakeholders. (...) There is for example the tourist office, the Local Development Agencies, the Local Action Groups, natural reserves, the touristic regions, deputy burgomasters for tourism etc... So, as far as the cooperation on the field is concerned, I would say it is rather confusing."* (Maison du Tourisme de Bastogne)

- rely on leading figures :  
*"It is Georges Behin, who has really structured and is still structuring a quality label for this expression Gaume, which is in fact a region."* (Association Histoire Collective of Rossignol)

Once this is in place, the regional development process can start dealing with the development of a good **regional product** that will be put forward. This product should be

- unique, specific and authentic :  
*"Each town or region has something specific. It is there where action is needed, not to plagiarize what someone else does. (...) For instance, the hunting horns concerts are really typical and specific to this area."* (Maison du tourisme de Saint-Hubert)
- of high quality :  
*"To begin with, there is a need for a high quality product ! Concerning farm tourism, some twenty years ago people shared the bathroom on the farm, now this is finished !"* (farmer Gaume)

The **promotion** of the territory implies

- relying on the local population :  
*«Press communications are released in little magazines, freely distributed in the region. One could say: "What is Behin doing in sending these articles to those small magazines?" But yes! Because this contributes to people's consciousness. (...) They themselves become spokespersons! »* (Maison du Tourisme de Gaume)
- ensuring visibility by marking the borders :  
*« When we would have a sign at the entrance of the territory, which would inform us about the existence of the territory, we would really have an identity. (...) When people are in a Natural Parc in France, the Netherlands or Germany, they feel it, they see it, they sense it... here nothing !»* (Maison du tourisme du Pays d'Houffalize – La Roche-en-Ardenne)
- elaborating a well-thought communication strategy.

### **Part 3: Local welfare as a result of regional identity development**

The ultimate objective of the project is to prove that regional development based on a regional agrarian identity has beneficial effects and contributes to the economic, social and ecological sustainability of regions. The experiences of citizens regarding this regional development, part 3.1 of the project, are scheduled for the second project phase. What will be described now are the effects of regional development based on an agricultural identity, on the real estate sector, and the effects on farmers. Finally, more sustainable links between citizens and multifunctional agriculture in a region are explored in the search for alternative financing mechanisms for this type of agriculture.

#### 3.2 Effect of regional identity development on local economic sectors: the case of real estate

##### **Objective**

The objective of this part of the project is to look at the potential regional development based on an agricultural identity of a region, has on a specific economic sector, namely the real estate sector. Therefore, within this work package, the economic effects of agrarian-regional identities are analyzed.

We believe that certain landscapes may have a positive influence on the prizes of real estate, but also on water companies, local shops or tourist accommodation. Therefore, we want to find out how a –maybe unconsciously- built agrarian-regional identity affects the economy in certain regions, and which effects a more or less multifunctional agriculture has on real estate prices. In the second project phase, the same will be done for prizes of tourist accommodation. The aim is to econometrically measure the economic effects of multifunctional agriculture in a region by focusing on existing data and literature.

##### **Provisional results**

By the end of the first project phase, the research on the relationship between (multifunctional) agriculture and real estate prices has been completed. Data for Belgium have been collected at municipal level and for four different years (1990, 1995, 2000 and 2005) leading to a large dataset. Per year 589 useable observations are gathered. The municipalities are spread over four urbanization classes of the rurality index classification, ranging from rural, over semi-rural and semi-urban to urban (Lauwers et al., 2004).

The relationship has been estimated using a hedonic pricing function based on a log-linear model. The hedonic pricing functions for house prices ( $P_h$  € per house) and development land prices ( $P_l$  € per  $m^2$ ) are the following:

$$P_h = \alpha_0 + \alpha_1 AI * PR + \alpha_2 VP + \alpha_3 PS + \alpha_4 PR + \alpha_5 YE + \alpha_6 AL * UR + \alpha_7 GL * UR + \alpha_8 MFA * UR$$

$$P_l = \alpha_0 + \alpha_1 AI * PR + \alpha_2 VP + \alpha_3 LS + \alpha_4 PS + \alpha_5 PR + \alpha_6 YE + \alpha_7 AL * UR + \alpha_8 GL * UR + \alpha_9 MFA * UR$$

The results on housing prices are given in the second and third column of Table 5 and the results on development land prices in the fourth and fifth column.

**Table 5 Regression results for housing and land prices as dependent variables, Belgium, 2006**

		Housing prices		Development land prices	
		coefficient	prob.	coefficient	prob.
Year (base = 1990)	1995	0,086	**	0,100	**
	2000	0,228	**	0,404	**
	2005	0,571	**	0,981	**
Province (base = Limburg)	Antwerp	-8,560	**	-1,212	**
	West-Flanders	-1,241	**	-1,708	**
	East-Flanders	-1,244	**	-1,792	**
	Flemish Brabant	-1,082	**	-1,708	**
	Henegouwen	-1,246	**	-1,548	**
	Luik	-9,159	**	-1,252	**
	Luxemburg	-8,900	**	-1,491	**
	Namen	-1,588	**	-1,995	**
	Walloon Brabant	-1,067	**	-1,845	**
Average income	Antwerp	0,850	**	1,122	**
	West-Flanders	1,183	**	1,617	**
	East-Flanders	1,178	**	1,686	**
	Flemish Brabant	1,033	**	1,597	**
	Limburg	-0,040	**	-0,106	**
	Henegouwen	1,166	**	1,394	**
	Luik	0,845	**	1,092	**
	Luxemburg	0,822	**	1,310	**
	Namen	1,521	**	1,822	**
Walloon Brabant	1,021	**	1,705	**	
Variation in prices		0,188	**	0,189	**
Average lot size				-0,340	**
Percent land used by public services		-0,003		0,008	
Percent arable land	rural	0,000		-0,001	**
	semi-rural	-0,001	**	-0,003	**
	semi-urban	-0,001	**	-0,003	**
	urban	-0,002	**	-0,003	**
Percent grassland	rural	0,001	**	-0,005	**
	semi-rural	0,002	**	-0,001	*
	semi-urban	0,001	**	-0,002	*
	urban	0,000		-0,003	**
Percent nature conservation	rural	-0,005	**	-0,006	**
	semi-rural	0,000		0,000	
	semi-urban	0,001		0,007	**
	urban	-0,002		0,000	
Percent processing	rural	0,005	*	-0,009	*
	semi-rural	-0,004	*	0,010	**
	semi-urban	0,000		0,006	
	urban	0,003		0,006	*
Percent direct sales	rural	-0,003	**	-0,001	
	semi-rural	-0,001	**	-0,003	**
	semi-urban	0,000		-0,001	
	urban	0,000		0,001	
Constant		9,799	**	6,496	**
Adjusted R <sup>2</sup>		0,877		0,923	
F-statistic		364,013	**	611,148	**

\*\* : p-value < 0.05

\* : p-value < 0.10

### ***Structural, neighborhood, community, location and time-related attributes***

Most of the signs for the variables on the non-environmental attributes are as expected. House prices and land prices have increased (even after correcting for general inflation) over the years. Housing prices are about 57% higher in 2005 than in 1990 while land prices have increased with about 98% in Belgium.

Furthermore, there is a significant difference in the development land prices according to the location within provinces. Limburg is the province with the highest land prices. Namen has the lowest land prices. It should immediately be mentioned that we also included the interaction term province and income, which will explain the low coefficient on e.g. Flemish Brabant knowing that in fact land prices are very high in this province. At the same time we look at the variable average income in the municipality. A positive significant coefficient was found, as expected (Palmquist et al., 1997; Hardie et al., 2001). In each province, an increase in average income leads to an increase in housing prices (except for Limburg): a 1% increase in average income leads to an increase between 0.8% and 1.5%. The higher housing price might be caused by the higher willingness to pay for a house by richer people (who have more money to spend) or by the higher willingness to accept for selling houses of richer people (who only want to sell at a high price). Both effects will positively influence the hedonic price because it describes the equilibrium between offer and value functions. When it comes to average income and development land prices, we also find a positive relationship, but with a slightly higher elasticity: a one percent increase in income leads to an increase between 1.1% and 1.8%. These coefficients need to be interpreted together with the variable province. It means that on average the land prices are high in Limburg, but they do not increase when average income increases. However, the land prices are relatively low in e.g. Flemish Brabant, but an increase in average income will lead to a substantial increase in land prices.

A variable stating the average size of the sold lot is used in the analysis of development land prices. The results show that whenever more land at one time is sold, the average price decreases. A sold lot that is one percent larger leads to a decrease of the price per m<sup>2</sup> of 0.3%.

The greater the heterogeneity in the housing prices within the municipality, the higher the average housing price, as was expected (e.g. Palmquist et al., 1997). Similar results are found for development land prices: when there is more variation in the land prices, the average price is higher.

The coefficient on the variable percent land used by public services is not significant in the regression on housing prices nor in the regression on land prices. This might indicate that there is either no relationship between the offer of public services and prices or that the used variable is not the best one. The variable certainly does not reflect the efficiency of public services which might be more influential than the land area public services use.

### ***Environmental attributes***

The main purpose of the analysis was to find out whether agricultural activities can be included as attributes and whether there is a difference between multifunctional and non-multifunctional agriculture.

It seems that the area of arable and grassland in a municipality are attributes related to the price of a house or development land. More arable land has a significant negative impact on development land prices and housing prices in almost each urbanization gradient. This confirms the results of other authors (such as Le Goffe, 2000) stating that cultivated land has a negative relationship with prices. More grassland has a positive impact on house prices but a negative one on development land prices. Remarkably, in urban regions the impact of grassland on housing prices is insignificant.

Finally, it has been investigated whether multifunctional strategies are related to real estate prices. Three types of activities are looked at. First of all the percent farmers involved in nature conservation is looked at. It can be assumed that farmers taking care of nature will create a nicer landscape view and limit some of the negative externalities of farming (like odor, water or air pollution). We therefore expect a positive relationship with prices especially in those areas where agriculture is already under a lot of societal pressure, such as the semi-rural and semi-urban areas. It seems that the only significant impact in these areas is found on land prices and is positive. An increase of one percent point in the number of farmers with conservation programs leads to an increase of 0.7 percent in land prices in semi-urban regions. When it comes to housing prices, we didn't get the expected results. In most areas there is no significant relationship between nature conservation and housing prices. Only in the rural areas a significant relationship is found but the coefficient is negative. Within

this area, where agriculture takes up most of the land, actions undertaken by farmers to conserve nature do not seem to be valued in house prices.

The expected relationship with the second type of multifunctional activities is different. Processing is an activity that does not create open space landscapes and can much more be related to intensive farming activities. As was found by Palmquist et al. (1997) considering hog operations, creating more buildings or noise and odour distress will lead to lower housing and land prices. This is found for housing prices in the semi-rural and for development land prices in the rural areas. In the rural areas, a positive coefficient is derived for housing prices. In this region, the positive effects of having an on-farm processor nearby (such as access to fresh food products) overcome the negative externalities. Also in the urban and semi-rural areas we found a positive impact on development land prices.

Lastly, on-farm selling has been investigated. It is rather difficult to predict what the relationship will look like, because on-farm selling does not contribute much to the landscape nor does it relate to industrial activities with many negative externalities. However, we only found negative significant relations: in rural and semi-rural areas the impact of on-farm sales is negative on housing prices and development land prices.

In general it can be stated that although there is some relationship between multifunctional agriculture and housing and land prices, the impact is limited and only leads to a small increase in the explained variation (increase of about 0.5% in adjusted  $R^2$ ). The impact furthermore differs (shifting from positive to negative) according to the urbanization gradient and to the type of multifunctional activities.

### 3.3 Effect of regional identity development on agriculture: the role of the farmer in governing identity

The question which is posed in this part of the research is how the regional development process, or the development of the identity of a region, affects the welfare of local farmers. The relation between agriculture and regional identity is actually twofold: on the one hand agriculture contributes to the identity of a region through multifunctionality, and on the other hand agriculture can profit from regional identity or regional development processes through diversification strategies. Next to opportunities however, the regional development processes might also pose threats on farmers.

The main objective of this part of the research is to find out how the governance concerning multifunctionality and regional identity should be organized so that farmers can 1) optimally profit from regional identity and 2) can optimally contribute to the region. Specific attention is paid to the role of the farmer in this governance through participation or local, bottom-up, cooperation.

To illustrate the fact that farmers can profit from regional development processes, but can also experience problems as a result of these processes, some preliminary results of the fieldwork will be given.

#### ***Opportunities and threats for farmers as a result of regional development: lessons from the field***

As already mentioned, in total 62 **interviews** were done with farmers and key persons in organizations involved in regional development in the four main case studies. Although the analysis is planned for the second project phase, some preliminary results can already be given. The results indicate that the identity of a region can be a motivation for farmers to start with farm diversification. However, when farmers want to go along with diversification based on regional identity, they experience some obstacles, especially related to regulations. Regional identity development processes also appear to affect farmers, both in a positive as in a negative way. The following results, illustrated by some striking citations, finally indicate the importance of participation of farmers in regional identity development processes.

#### *Identity of the region as a motivation for farm diversification*

A first observation from the interviews is that regional identity as such, not taking into account any policies, can be a motivation for farmers to start with diversification on the farm:

- *"The farm was square shaped (note: typical historical farm for that region), and with the location and the space we had, it was suitable for farm tourism. The square shaped farms, those are typical farms of the region and there are a lot of people interested in those types of farms in the region, and the location was ideal to start with farm tourism. Therefore, we decided to take this decision."* (farmer Haspengouw)

However, this is usually not the main reason. The most important motivations for multifunctionality are:

- Own norms and beliefs:  
*"There are some things I do on a voluntary basis. That little parcel where the water source rises and where we layed the path, we provide that for free. Only because it gives us a good feeling, that the people walk there, that a dog goes to drink from the source in the summer months."* (farmer Haspengouw)
- Extra income:  
*"We began with farm tourism in 1992. At that moment, there was a bit of a crisis going on in agriculture and the livestock could only be sold at very low prices, nothing worked."* (farmer Gaume)
- And another important motivation are regulations or official initiatives, both related to regional identity as multifunctionality:  
*"Landscape management, I started with that in 2004. That was something new, promoted by the Regional Landscape (note: non-profit organization, initiated by the government, involved in regional landscape and nature development)."* (farmer Haspengouw)

#### Regulations as an obstacle for developing farm diversification

Some regulations have a stimulating role, however, the most frequently mentioned obstacle for farmers in diversification are again regulations. Especially bureaucracy seems to be a problem:

- *"I manage 500 metres of hedges, but I don't get a subsidy for that. And why not? I once received one, but then I thought 'so many letters and papers, oh boy'. In the time I need to do all the paperwork, I can easily trim all hedges."* (farmer Haspengouw)

But there are also other problems with regulations like:

- vagueness of rules:  
*"Recently, someone of Tourism Flanders (note: governmental tourism organization) was here and said: if you provide breakfast, those are not services. Then I posed the same question to Tourism Limburg and the office responsible for VAT, and both of them didn't know. This is strange, I called three times for these things. And then they say: one farmer does this, the other one does that."* (farmer Haspengouw)
- or rules which are too rigid:  
*"They already told us that we might have to adapt our kitchen to European norms, although it is our home kitchen!!! When we would arrive at that, this will completely change the philosophy of farm tourism. We are starting to be fed up with all of that! The people come to us, because they like the family atmosphere. When the same regulations, norms and obligations are applied to us as to hotels, then we can't cope anymore! How many times already, despite the love for my work, I wasn't tired of all this!"* (farmer Gaume)

An obstacle for developing diversification which is related to this is lack of trust in the government:

- *"One day, I saw a farmer sowing grass at the edge of his field. Half a year later, I again saw this farmer, he had already sown a nice edge of grass. Then he told me he received a letter from the Flemish government, saying that the financial means are depleted and that he couldn't get any financial compensation anymore for that year. That man is never going to sow anything ever again."* (farmer Haspengouw)

The other obstacles for developing diversification mentioned most are a lack of time or difficult combination with other farm activities, and resistance or lack of understanding from colleague farmers. Other obstacles are: the danger of losing privacy with some types of diversification like farm tourism, lack of knowledge or skills for diversification, competition with other farmers and the fact that it is often not financially interesting.

#### Effects of identity development on farmers

It is clear that certain regulations or initiatives taken to strengthen regional identity offer opportunities for farmers to develop their diversification:

- *"That's why I say that as a result of Katarakt (note: Flemish drama series about a family of fruit farmers in Haspengouw) I had to cancel 130 to 140 reservations because I was completely booked out."* (farmer Haspengouw)

On the other hand, farmers also express some difficulties as a result of these policies, like:

- Inconvenience:  
*"They lure crowds to this place, but does it make any sense? People working in the fruit sector don't benefit from this. They will lose a part of their fruits. The edges of the field ... you can't screen them off. Now they were saying they wanted to create a plantation, so that the people could harvest by themselves. But then they come back next year, the plantation is not there anymore, and they harvest from the farmers' fields."* (farmer Haspengouw)
- Harmful policies as a result of a lack of knowledge of policy makers:

*"Recently, the Regional Landscape Haspengouw planted hawthorn hedges in the middle of a pear area. You know that this is a host plant for the Erwinia bacteria. For us, this is the most harmful plant, which we definitely don't want in this region." (farmer Haspengouw)*

- Fear for unfavourable developments:  
*"As a farmer, I am afraid that they will create zones for farming and restrict us."(farmer Pays des 2 Ourthes)*
- Lack of understanding of policies:  
*"I now have a standard tree orchard with contemporary new varieties of standard trees. But we can't receive subsidies for that because then you have to have old varieties of standard trees. Then I think: 'hey guys, you wanted a standard tree and I did plant a standard tree!'" (farmer Haspengouw)*
- Limited possibilities to profit from these policies:  
*"...but those walking routes all go towards the city, to stimulate consumption there. And the city doesn't sponsor, if the walking routes only go through meadows." (farmer Haspengouw)*

#### Involving farmers in the governance concerning regional identity

These observations indicate already the importance of involving farmers in the governance concerning regional identity, not only so that they could profit more from regional development, but it can also have advantages for the initiators of these policies...

- E.g. To avoid counterproductive actions:  
*"Already for several years now, we have farmers in the region who grub up the forest (...) If they make a forest of 10-15-20 hectares disappear, which separates for example two villages, which constitutes a barrier in the landscape, then I think this is terrible." (Municipality of Gouvy)*

*"Here we have a nice example of frictions. The cherry tower. That is a nice example of regional development. The tower has been shown in the tv-series Katarakt as a beacon in the landscape, in the lives of the people. But the tv-series has been recorded and the farmer tears down the tower. He didn't want the commotion on his fields. The historical beacon has been thrown to the ground, and the opportunity to do something with it is lost. This is an example of a lack of connection to the local people. The organization designs plan but forgets to involve the people in the development of these plans... This project doesn't grow from the grassroot level, but top-down, and this only leads to the disadvantage that farmers don't see an advantage in this matter ... This makes it very clear that in Haspengouw, the train is going, but the wagons are not following." (LISRO, Haspengouw)*

These examples definitely make clear that participation of farmers in the governance concerning regional identity development can be beneficial. A literature study on participatory governance confirms this, although it also reveals some pitfalls of increasing participation. It finally provides some ideas on how to organize a participatory approach in governance.

#### **Participatory governance**

There are different degrees of participation. It can go from informing people about decisions of (governmental) organizations to giving people the majority of votes or full decision-making power (Arnstein, 1969). Local action can also develop without any involvement of government organizations, which means in a genuine bottom-up manner. The **benefits** of participatory governance are manifold. First of all it can lead to better local solutions or a higher effectiveness of governance, because of more socially accepted (Richards et al., 2007) and creative policies (De Vries, 2000). Secondly, it can lead to building trust and social capital (Richards et al., 2007), and a higher efficiency of policies, e.g. because of simplified monitoring and evaluation (De Vries, 2000).

However, there are also **pitfalls** connected to a higher level of community participation in governance. It can be difficult to obtain because of a lack of legitimate authority, capacity and financial authority on the local level (Meynen and Doornbos, 2004; Herzberg, 2005). People on the local level might also not be willing to participate because of 'consultation fatigue' or unclear gains from participation (Richards et al., 2007). Another pitfall is possible resistance from (higher-level) governmental organizations because they fear losing power (Masuch, 1985), or deliberate participation or decentralization to lose responsibilities (Meynen and Doornbos, 2004). There is a danger that participatory governance will lead to fragmented and disjoint approaches to regional identity policy and governance (Meynen and Doornbos, 2004). It can also lead to policy interlocking (Scharpf et al., 1976), resulting in endless discussion, loss of transparency and responsibility.

It has already been mentioned that local citizens are getting more involved in developing or strengthening regional identity (Curré, 2007). In general, it seems that citizens are getting more autonomous, critical, educated and emancipated, resulting in them wanting to look more after their own interests (Denters, 2005).

However, this is often not possible within the traditional representative democracy (De Rynck, 2007). It is also a myth that everybody is willing to participate. According to van den Brink, people can be categorized into active, passive and threatened citizens (van den Brink, 2002). **Active citizens** are highly educated, have trust in the political system and attention for the public interest. One question in this research is: where to put farmers in this spectrum?

A higher degree of participatory governance can be reached in different ways. De Rynck (2007) describes **several options** such as a reform of the representative political system, with political parties open to non-members, alliances between parties and social organizations, direct election of executing politicians, etc. A system of direct democracy, with more possibilities for citizen participation in the form of local collective action, is also possible. Finally, vital coalitions (equal partnership) between government and citizen groups can be set up, or meta governance where politicians just create stimulating frameworks for local action and potentially arbitrate. What De Rynck (2007) observes, be it in a city context, is a professionalization of governance leading to participation structures which are often too rigid and pampering. In this research, the question is posed which system of participation would work for the governance concerning regional identity in a rural context.

Finding good participation structures is not an easy task. However, the specificity of the governance structure in place concerning regional identity development may facilitate participation.

#### ***A higher degree of participation through polycentric governance structures***

The identification of the institutions and organizations involved in strengthening regional identity in the four case study areas has shown that:

- many institutions and organizations are involved in the topic;
- the organizations operate more or less independently from each other, focus on specific elements of identity or on the whole concept and operate on different administrative levels;
- there is a mix of governmental organizations and non-governmental organizations.

These characteristics suggest that the governance structure related to regional identity, which means the whole of organizations involved, forms what in political economy terms is called a polycentric **governance** structure (Ostrom et al., 1961). An important benefit of such a structure is that it allows more participation of locals (De Rynck, 2007). Other advantages are mainly a higher flexibility, legitimacy (McGinnis, 2006) and better results because of competitive rivalry between the organizations (Ostrom, 1999). The main disadvantages are the high degree of complexity and the inherent danger of inconsistent policies (Meynen and Doornbos, 2004).

An important element affecting the participation of the farm sector in the governance concerning regional identity development, are the power relations in the governance structure. A region can have different identities, but the choice of the one to be developed will depend greatly on those in the region who are in power. According to Flyvbjerg (1998), **power** in governance systems often prevails over rationality, the latter being the ideal state in a democratic system. Institutions built to overcome abuse of power are often stretched or bended by those in power and thus don't always provide a way out. In order to break power Flyvbjerg suggests teaming up with like-minded people in order to reach your goal. However, while farmers used to form an influential group in the rural area their power, through organizations, is more and more disputed, especially through debates on the natural environment (Frouws, 1994; Seymour et al., 2000).

Both the literature review as well as the fieldwork lead to the conclusion that participation of farmers in the governance concerning regional identity development is beneficial. However, several pitfalls may prevent this. The three main challenges are: making farmers or the farm sector willing to participate, making it possible for them to participate given the ruling power relations, and finally organizing participation as such that it becomes beneficial for every party.

### 3.4 Linking local farmers and citizens: alternative financing mechanisms for multifunctional agriculture

To explore alternative financing mechanisms for multifunctional agriculture, a theoretical framework has been constructed on the basis of an extensive literature study, which focussed on the best practice examples

(concerning alternative financing mechanisms for multifunctional agriculture) in Europe (in particular in the Netherlands).

### Theoretical framework

In the context of this work package, rural landscapes are considered as complex socio-ecological systems (Selman, 2005) with underlying capital stocks and flows (Pearce, 1993). The core problem in these rural areas is that the forces that produce social, natural and cultural capital are increasingly obsolescent and that the preservation of these capital forms relies to a large extent on public support (Figure 8).

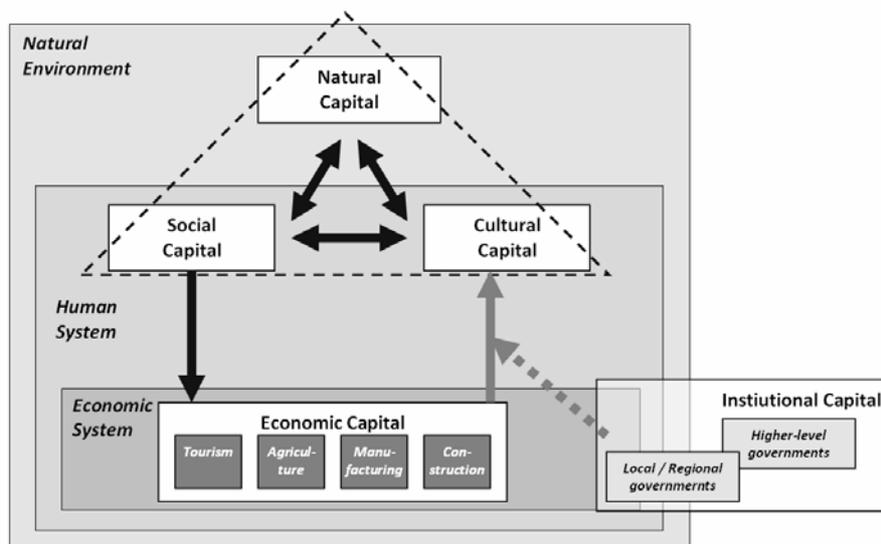


Figure 8 Theoretical framework

Agriculture is as an economic bearer of the countryside, of decreasing importance. On the other hand, agricultural land contains a substantial amount of different capital forms - providing a lot of collective and quasi-collective services (e.g. social cohesion, landscape, water management) – and for that reason agriculture is as a land user still highly important. Moreover, those public services seem essential for the new economic bearers of the countryside (e.g. residential housing, tourism). The main goal of this work package is to find alternative ways of supporting multifunctional agriculture (MFA). In this context 'Alternative' means that reinvestments in collective goods/services must be realized, not relying solely on public support, but by a close collaboration of local/regional governments, society organizations, citizen and private enterprises.

An extensive literature review concerning alternative financing learns that four different principles (for reinvesting in public services) can be specified.

The 'beneficiary pays' principle refers to the benefits that collective services are offering to some countryside functions (e.g. recreation). The 'polluter pays' principle on the contrary denotes the need to compensate for the socio-ecological damage that is produced by certain activities. The 'producer pays' principle indicates that under specific circumstances the provider itself is (financially) responsible and the fourth principle concerns the *bundling of private (and public) means*.

Padt et al. (2002) have listed different alternative investment forms (for countryside stewardship activities) according to the motives – ideological or economic – and to the effectiveness of the investments – high or low. On closer examination, three clusters appear (Figure 9). The first cluster contains investment forms that are based on voluntary contributions of private actors (individuals, companies, institutions or even farmers) and are covering the direct private demand (for countryside stewardship activities). The second cluster consists of non-voluntary investment forms (e.g. tourism tax, development tax). In the third cluster, different forms of fund constructions are included. The three clusters roughly correspond to the three first principles (cf. supra).

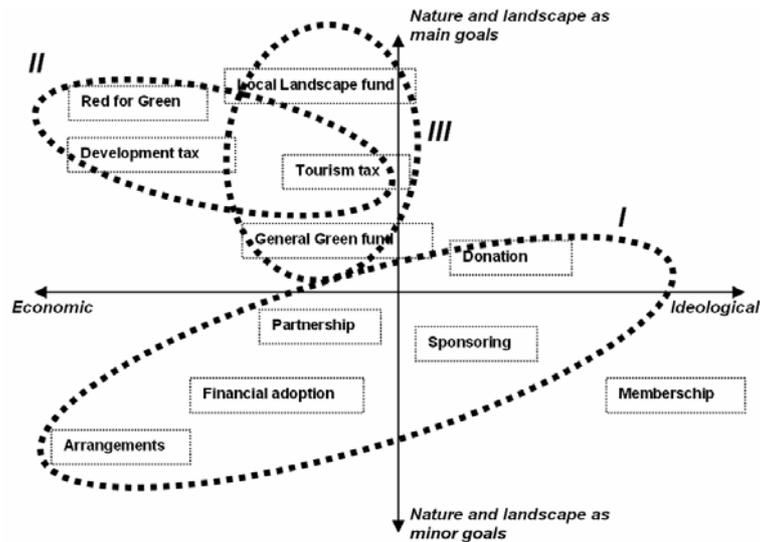


Figure 9 Different clusters of alternative investment forms (Source: classification of Padt et al. (2001))

### Research

The research in work package 3.3 focusses on the assessment of the public, governmental and economic basis/support for the proposed alternative financing mechanisms. More specifically, the support for alternative financing will be studied in depth in three different regions.

Two of them are considered having favourable regional conditions for developing MFA, notably the 'Meetjesland' region (which is in fact also a case study in the Musical-project) and the 'Leievallei' region. Both regions are characterized by a highly identifiable character – attributed to the presence of valuable landscape assets and to other cultural-historical or socio-cultural elements – ,by the availability of a sufficient amount of economic capital (e.g. tourism) and social capital that could be reinvested in collective services. In the workshops that were/will be organized in both regions, the three clusters have been/will be proposed to a broad spectrum of participants. The first workshop that was organized in the 'Meetjesland' region<sup>2</sup> showed that there is a broad support for voluntary contributions (in particular for landscape-arrangements and landscape-auctions) and that a lot of opportunities are seen in a (private) fund construction.

The research in the third region (i.e. the central West-Flanders region), characterized by intensive farming and as a consequence by less favourable regional conditions (for developing MFA), will concentrate on the opportunities of short rotation coppice (SRC) in making rural landscapes more multifunctional. In the first part, the economic viability of SRC as an alternative for traditional crops and as a renewable energy source for the frozen vegetables industry will be studied thoroughly. Subsequently, the research will focus on how SRC could be optimized for the societal benefits (e.g. nature, landscape).

<sup>2</sup> The first workshop in the 'Meetjesland' region was organized at the Rural Centre in Sint-Laureins, the 29th of April 2008.

## 5. PRELIMINARY CONCLUSIONS AND POLICY RECOMMENDATIONS

Although the results described in the previous section are preliminary, they already give rise to a number of interesting conclusions and policy recommendations. Again, these are structured on the basis of the conceptual framework, shown in Figure 1.

### *Part 1: Multifunctional agriculture and regional identity*

To be able to estimate the influence of multifunctional agriculture on regional identity, the first project part focussed on obtaining a better understanding of the concept of identity. As mentioned before, it is important to have in mind that places are no soulless objects but are constantly interpreted and reinterpreted in relation to the personal preferences. Equally, the identity of an area is not a fixed fact, not equal to the biography or tradition of an area, but has everything to do with feelings, emotions and meanings a particular space can evoke in people. Thus, place identity is determined by the images people have of a spatial area. Keeping this in mind, one must understand that a place can have diverse identities, e.g. an agricultural one, which are constantly subjected to changes in the global world. Identity is a **social construct**.

On the basis of this understanding of the concept of identity, some policy recommendations can be formulated on how regional identity can be a basis for regional development. Working on the identity of a place and on regional development firstly means that one should build up an attractive and positive image of the place. For this, collaboration and agreement should be urged on the diverse organizations and institutions charged with regional development and identity, and having different 'identities'. It is important to make progress together and to strive for a **common vision**. It makes no sense working in an opposite direction.

Secondly a lot of attention should be paid to the images residents have of their own region. Regional development should first of all focus on **fulfilling the needs of its own residents**. On the one hand this can be achieved by pursuing a well considered participatory policy such that people won't feel that regional development occurs contrary to their interests. On the other hand local people should be convinced of and enthused about the positive sides of elements present in the region, e.g. the open agricultural landscapes. One has to achieve that the local residents become informal ambassadors of their region. This way a basis can be created for delivering support to the organizations' diverse activities and displeasure about some activities could more easily be avoided.

Thirdly, one could think about branding the identity of an area and building an economic circuit around it, but if too little attention is paid to the own residents, one risks to get bogged down in unwished effects.

### *Part 2: Regional development on the basis of (agrarian-) regional identity*

A better understanding of the concept of regional identity already led to a number of policy recommendations concerning regional development. However, the regional development process itself, based on (agrarian-) regional identity, is the research focus in the second part of the project.

#### 2.1 The formation of regions: agrarian-regional identity within a broader social context

While the previous part looks at regional identity from the inside, as a social constructive process, here the focus is on the region. The formation of regions and regional identities seem to be inextricably bound up. Regional identity in this part is therefore seen from the outside and in a historical perspective.

The in-depth survey in the 'Meetjesland' and 'Pajottenland' regions points out that the shaping (and establishing) processes within the region are to a large extent comparable and that these processes are accompanied by a gradual building up of **social, institutional and symbolic-cultural capital**.

Two factors seem important in triggering (and enhancing) the region (and identity) formation processes: **policy-making** at different levels (i.e. the European and the Flemish level), and **practices of regional agents and organizations**. The latter is strongly linked with the amount of social capital (in particular the formal and informal network relations within and between these) accumulated in the region.

## 2.2 Integrating regional identity in rural development: lessons from best practices of regional branding

In this part of the project, the regional branding process is studied more in detail. By looking at regions with a strong agricultural identity, which is successfully exploited, lessons can be drawn on the regional branding process and how to integrate regional agrarian identity in rural development.

A first conclusion is that a region brand that focuses merely on the historic elements of the regional identity can paralyze the region. A region can have different identities, as mentioned before, but not all of them can or will be chosen to be branded. To prevent the region to get paralyzed, not only historical elements, but also **modern and contemporary elements** should be picked out. Changing activities in society can change the landscape (as part of an identity) and the region itself. Adding modern elements to the region brand is also important to address young people and keep them involved.

The study of best practices also leads to the conclusion that the region brand should **focus first on the local inhabitants**, before targeting the surrounding area and the national/international public. By convincing the local inhabitants first, the snowball-effect to the rest of the consumers will be bigger and their dedication and commitment to the region will rise, which accelerates the development process internally. Nonetheless, one should not ignore the positive effect of the 'fame' of the region, induced by the region brand. When outsiders idolize the region and come to visit it, the inhabitants get more aware of the attractiveness of their regions and are willing to dedicate themselves for their region.

Looking at the best practices, the success of the development process seems to be highly dependent on the abilities and motivation of individuals, rather than on the existence of institutions. Interviews in the case regions accentuated the necessity in the development process of **enthusiastic and inspiring pioneers**, with an extensive social network. The intrinsic passion for the region or a specific regional project and the will to cooperate with other regional stakeholders were mentioned as a *condition sine qua non* for a sustainable development. Another crucial requirement for the development process is that **local actions should be coordinated**, again a conclusion that was drawn already before. Because a rural development process has especially consequences for the local inhabitants, organisations and entrepreneurs, it will only be a sustainable process if the local stakeholders play an important role in it. In order to outline and maintain a well-thought strategy for the region, a central coordination is necessary. This coordination should not be too bureaucratic and should stay approachable by local inhabitants, entrepreneurs and organisations.

## 2.3 Strategies of actors involved in identity development in the 4 Belgian cases

While a more theoretical study of strategies of actors in identity development will take place in the second project phase, some preliminary insights could already be derived from the fieldwork in the two Walloon cases. These have led to policy recommendations on identity development and regional branding, which complete and confirm the insights from the former part.

The results indicate that regional branding based on an authentic identity can boost rural development. However, as mentioned before, it needs to be stressed that it is a tool and not an objective in itself. In this respect, when promoting a region, policy makers should be particularly careful for **polarization**:

- between territories:

*"I say it loud and clear I choose for elitist tourism (...). Everybody has the right to go on a vacation, but those who would like a cheap holiday can have it somewhere else!" (Maison du Tourisme de Gaume)*

- between population groups:

*"The Flemish and Dutch clientele, it's a great opportunity for the sellers but a disaster for the young people and the locals." (Municipality of Gouvy)*

## **Part 3: Local welfare as a result of regional identity development**

The previous parts of the project made clear that a region can have more than one identity, of which one is the agricultural identity, and that not all of those identities are pursued in regional branding processes. They also have stressed several times that one of the success factors for regional (identity) development and regional branding is focussing on the local people.

This part of the project studies the effects of regional development on local welfare more in detail, whether or not based on the agricultural identity of a region. It tries to find out whether regional development or branding processes can have effects on the economic, ecological and social sustainability of regions. Part 3.1 on experiences of local citizens with regional development processes, is dealt with in the second project phase. The focus in the first project phase was mainly on effects on economic sectors in a region, with the real estate sector as a specific case, and the effects on the farming sector. Finally, this part tries to find possibilities to link agriculture with other societal groups, in order to obtain more efficient ways to finance multifunctional agriculture, based on its contribution to regional identity.

### 3.2 Effect of regional identity development on local economic sectors: the case of real estate

The objective of this part of the project is to look at the potential regional development based on an agricultural identity of a region, has on a specific economic sector, namely the real estate sector. Therefore, within this work package, the economic effects of agrarian-regional identities are analyzed, and this through the hedonic pricing method.

Analyzing the impact of agriculture or multifunctional agriculture on real estate prices is not an easy job. These prices are influenced by many factors (location, housing characteristics, environment etc.) and it is therefore difficult to isolate the impact of agriculture. The study is even more difficult because of the limited availability of data. Only data on recently sold real estate is available and this for municipalities in general. Exact data on location aspects can only be collected after extensive work and because all Belgian municipalities are included, the feasibility of analysis might be endangered when too many variables are included.

Taking into account these difficulties, it can be seen from the analysis that agriculture and more specifically multifunctional agriculture has an impact on real estate prices. We found that more arable land usually has a significant negative impact on development land prices and housing prices. This confirms the results of other authors (such as Le Goffe, 2000) stating that cultivated land has a negative relationship with prices. More grassland on the other hand has a positive impact on house prices but a negative one on development land prices.

The impact of multifunctional agriculture differs according to the type of multifunctional strategy. Nature conservation generally seems to have a positive effect on land prices, but there is no significant relationship with housing prices. On-farm processing, an activity that does not create open space landscapes and can much more be related to intensive farming activities, seems to have a negative effect on housing prices. However, in the rural areas, a positive coefficient is derived for housing prices. For on-farm selling, finally, only negative significant relations were found.

So it seems that multifunctional agriculture can have a positive effect on certain economic sectors in a region, and therefore can contribute to the region's economic sustainability, although this effect depends greatly on the type of agriculture. In regional development or branding processes, it can therefore be interesting to **make use of the agricultural elements of a region**. However, this may require the development of a specific **regional strategy for the development of the agricultural sector**, which has a social basis in the local farming sector and which is adopted by the majority of the farmers in the region.

### 3.3 Effect of regional identity development on agriculture: the role of the farmer in governing identity

Another important question posed in this research is how the regional development process, or the development of the identity of a region, affects the welfare of local farmers. The main objective is actually to find out how the governance concerning multifunctionality and regional identity should be organized so that farmers can 1) optimally profit from local identity and 2) can optimally contribute to the region.

The fieldwork indicated already that **regional identity can provide opportunities for farmers** to gain an extra income through diversification. Actions taken by organizations to develop this regional identity seem to strengthen this effect and therefore have a beneficial effect on, at least part of, the farming population. Since diversification usually involves switching to less intensive farming practices or avoids further intensification, these processes of developing regional identity can evolve in ecologically **more sustainable regions**. Since

they increase survival chances of agriculture, they can also increase the social sustainability of regions. They can therefore be seen as worthwhile pursuing.

However, there are also downsides connected to regional development processes. Very often they seem to cause **inconvenience** for farmers, or are just simply **harmful** for farmers, because of a lack of knowledge on farming on the side of the policy makers. It is clear that regional development processes very often don't aim at improving conditions for farmers, and farmers also indicate that sometimes there are limited possibilities to profit from these policies. Because of fear for unfavourable developments and lack of understanding for these policies, regional development processes are sometimes hampered because of **counterproductive actions** from farmers.

These observations have led to the conclusion that **involving farmers** in the governance concerning regional identity development can be beneficial. Not only for farmers, but for the development of the region as a whole. To reach a higher participation of farmers however, several pitfalls should be overcome. Farmers, and farmers' organizations, should be **made aware of the importance of participation**, and the advantages it can bring them. Related to this, the association between multifunctional agriculture and non-competitiveness should be broken. Careful **communication** of the government and adaptations in agricultural **education** are possibilities to obtain this. Next to this, organizations should **make participation possible**. Power relations in a region, and more specifically fear of losing power can prevent this. It is therefore up to higher government levels to design protocols in decision-making around regional development, so that all stakeholders are involved. However, attention should be paid that the participation structures are **not too rigid**, since this can limit creativity and slow down the decision-making process. Attention should also be paid that participation doesn't lead to **complex or inconsistent policies**. An advantage of the current polycentric governance structure around regional development is that it facilitates participation.

### 3.4 Linking local farmers and citizens: alternative financing mechanisms for multifunctional agriculture

This final part explores possibilities to link agriculture with other societal groups, in order to obtain more efficient and sustainable (less dependency on government funding) ways to finance multifunctional agriculture, based on its contribution to regional identity. The 'three cluster' approach of alternative ways of financing (voluntary contributions, non-voluntary contributions and fund construction) presents an overall picture of the existing financing mechanisms (and their potentials) and consequently offers to regional development agencies a powerful **framework for the selection of appropriate alternative financing mechanisms**.

From the workshop in the 'Meetjesland'-region it is concluded that there is a broad support for voluntary contributions and fund constructions. Both financing mechanisms require a **close cooperation between diverse regional stakeholders** (farmers, governments, regional organizations, etc.) and are in that way strongly related to the amount of **social capital** in the region.

## **Conclusion**

These results definitely provide an indication that we can **accept our main hypothesis**: multifunctional agriculture can contribute to the development of a regional identity and this can increase the competitiveness and sustainability of agriculture and of other sectors in an area.



## 6. FUTURE PLANNING

In the second phase of the project, the focus will mainly be on finishing the fieldwork, the analysis of the results of the fieldwork and keeping up with developments in the specialist literature. Specific actions planned for the project as a whole are:

- Writing a practical, popularized, document with some results of the first project phase, in response to a demand from the field. This document will be distributed to all people interviewed in the Belgian cases. Organizations are asked to distribute the document further to those interested. In the Walloon cases, because of the specific interest in the topic of some stakeholders, the practical document will be accompanied by a discussion group.
- Organizing extra seminars among the researchers for a better integration of the results of the different project parts.
- Organizing several focus groups to discuss the results of the research. Three focus groups are planned: one with farmers and representatives of farmers' organizations, one with representatives of organizations involved in regional development and finally one with experts (both academic as non-academic) in this field. This fits within a participatory research approach. Only after these focus groups are done, the final results will be presented.
- The presentation of the final results will be in the form of a workshop to which all stakeholders will be invited. Next to this, attention will also be paid to the publication of the results in scientific journals and at conferences.

More specific plans for the different project parts are described in the following:

- For part 2.1, a survey is planned on the processes of identity construction and region formation within other case-studies.
- For part 2.2 on lessons in regional branding from best practice cases, the second phase of the project will involve:
  - Development of a survey based on contextual factors;
  - Interviews with farmers in Pajottenland;
  - Follow-up of steering committee regional branding Pajottenland en Zennevallei;
  - Delineation of the concept social capital, development of methodology to measure social capital and integration in the results.
- For part 3.1 on effects of regional development on citizens and part 3.3 on effects of regional development on farmers, surveys will be done with citizens (residents of the four main cases) and farmers.
  - The distribution of the survey will be done through the internet, in the form of a websurvey. Promotion for this survey will be made through websites of regional organizations.
  - Since the population of farmers in the four main cases is rather small, a websurvey probably won't lead to the desired number of questionnaires returned. Therefore, for this specific group, questionnaires will also be distributed at farmers' meetings in the regions.
  - When after the survey, some elements would still be unclear, extra interviews with citizens or farmers can be done.
- For part 3.2, we want to investigate the relationship between (multifunctional) agriculture and the tourism sector. A lack of data prevents the use of the hedonic pricing technique, which leaves two options amongst which we can choose: travel cost method (which is a revealed preference method) or contingent evaluation (which is a stated preference method). We intend to weigh the pros and cons of both methods against each other and analyse the relationship between multifunctional agriculture and the tourism sector within the first year of the second period.
- For part 3.4, the following is still on the agenda for the second phase of the Musical-project:
  - Organizing a second workshop concerning alternative financing of multifunctional agriculture in the 'Meetjesland' region (by spring 2009) as part of the Leader-project;
  - Organizing a workshop concerning alternative investment forms in the more urbanized region of the 'Leievallei' (by spring 2009);
  - Making a scientific paper about the opportunities of short rotation coppice in making rural landscapes more multifunctional (by May 2009).
- For part 4 of the project, a theoretical framework will be developed for the formulation of windows of opportunity

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