

THE FAMILY FARMING: A TRADITIONAL MODEL TO FOSTER THE AGRICULTURE INNOVATION

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Abstract

This study aims to analyze the characteristics of an innovative and strategic agriculture industry, the objectives on which it focuses and the local actors and policies that could facilitate its development. In this framework, we intend to highlight the agricultural model of family farming, seen as the most capable of catching up and adopting the innovative trends. In the face of these innovations, which are leading agriculture far from a “productivist” model, that is disconnected from the specificity of environmental and territorial resources, Italy still shows some lag in following a multifunctional model on the basis of quantifiable factors. Nevertheless, family farms represent today the best alternative to embrace a multifunctional agriculture linked to a sustainable rural development, as indicated by National and EU policy.

Keywords

family farming, European agricultural policies, multifunctional agriculture, rural development

Résumé

Notre étude analyse les caractéristiques de l'agriculture innovante, les objectifs autour desquels elle est centrée et les acteurs et les politiques locales qui peuvent faciliter son développement. Dans ce contexte, nous voulons mettre en évidence que le modèle de l'agriculture familiale est le plus apte à récupérer et à tendre vers les tendances innovantes. Face à ces innovations qui changent l'aspect de l'agriculture, en faisant ressortir un modèle productiviste déconnecté de la spécificité des ressources environnementales et territoriales, l'Italie des “données quantitatives” montre encore quelque retard à poursuivre une agriculture multifonctionnelle. Cependant, les exploitations familiales sont la meilleure alternative considérable pour embrasser une agriculture multifonctionnelle liée à un développement rural durable, comme indiqué par les politiques nationale et européenne.

Mots-clés

agriculture familiale, politiques agricoles européennes, agriculture multifonctionnelle, développement rural

I. FROM OLD TO NEW RURALITY: THE EUROPEAN AGRICULTURAL POLICIES

What is today considered rural land is the result of the relation between a multiplicity of actors and dynamics occurred over the time: the role of formal and informal institutions, the performance of the economic and social agents and the impacts that these have caused according to their participation.

The great transformations that have affected agriculture and its ways of producing since World War II have profoundly changed the features of rural areas and the perception that the inhabitants and the whole society have over them (Bellelli & Berti, 2011).

During the Fordist period, the terms ‘agriculture’ and ‘rurality’ are used interchangeably as the activity of land cultivation; they are not linked, as happens today, to a more purely territorial or social meaning (Sotte, 2006). Rurality is, therefore, identified only as an agrarian rurality being in fact exclusively joined to the agricultural sector. This is because countryside was characterized by single-sector economy, based almost exclusively on farming, which had to supply food to the city, and consigned to the margins of social and economic processes. The role held by rural areas in this period is in fact subject to that covered by large urban areas, which are the focus of all functions. In this framework the countryside is out of socio-economic processes and seen only as a guarantee for food

and workforce supply and the farms must adapt to the increasing development of urban areas through the process of agricultural modernization aimed to gradually obliterate the different local and regional characteristics of agriculture in order to achieve the so-called “national farm”, a standardized agricultural sector throughout the country that guarantees national food self-sufficiency (Berti *et al.*, 2010, p. 64).

This idea has found concrete expression throughout Europe in the Common Agricultural Policy (CAP), whose interventions focused on productivity and facilitation on the agricultural market. The inequalities generated by the CAP in its first formulation have resulted in a form of “resistance” that sees the persistence of a kind of agriculture tied to farming traditions – mainly that of mountain and hill – alongside with the “approved” agriculture. Because it does not fit the new model of development; it leads to qualify the term “rural” as a synonym of marginality, understood in geographical terms as remoteness, but metaphorically implying other types of distances: technical, socio-economic and cultural as compared with a socio-economic development model tended towards standardization and uniformity.

Between the seventies and eighties, the idea of countryside moves from the conception of an undifferentiated space used only for food production towards a multifunctional space affected by various and complex dynamics, according to the specificity of the territory. The image of rural areas is no longer connected to an inevitable socio-economic lag, as compared with the more advanced and up-to-date urban areas. These latter are no longer perceived as an inexhaustible source of income, and therefore countryside, through a counter-urbanization process, attracts flows of people as demand is increasingly oriented towards the search for unique goods, imbued with their symbolic and use value, perfectly embodied by rural areas, with the richness of their landscapes, culture and the history of their territories.

In this period, which is also influenced by the endogenous economic development model (based on the enhancement of the environmental peculiarities and the exploitation of local resources by internal actors), the need to overcome the agrarian model in favour of a rural one ever more strongly

emerges, and the European Conference on rural development in Cork (1996) represented its first formal statement.

The post-reform CAP is represented by a support to the ownership of the land to which agricultural activity must be bonded (the so-called principle of conditionality) on compliance with minimum environmental standards, food quality, the healthiness of agricultural products, animal wellness and agricultural land management (Garzon, 2006; Pupo D’Andrea, 2007).

The CAP shifts from mechanistic and unique policy for the whole Community to a procedure where the member states are called on to make a series of choices regarding its application, all seen in a common reference frame. This allows adapting the CAP to internal targets, choosing the right tools and applying them in an appropriate way (Monteleone, 2005).

In keeping with Agenda 2000, in 2007-2013 the CAP planned three innovative elements (Regulation 1698/2005): simplification, a strategic approach, an integrated approach. In this way, programming becomes endogenous and participatory, and allows finding the most appropriate solutions to the issues, to optimize the use of resources and local products and to enable local actors to have easier and successful access to EU funding (Wallace *et al.*, 2015).

The rural development policy for the period 2014-2020 has been further modified and reformed (EU Regulation no. 1305/2013). The innovations concern the future European Union economic growth defined as intelligent, sustainable and inclusive <http://ec.europa.eu/europe2020/index_en.htm>. The first and most obvious change regards the abolition of the intervention axes that are now replaced by general objectives (competitiveness, the sustainable management of natural resources and the balanced development of rural areas) and more concretely translated into six priorities.

Another significant new element is the redefinition of the operational structure that binds the agricultural policy to the rest of the programming. At the heart of all future EU territorial actions, there are now two general strategic documents: the first, at EU level, is the Common Strategic Framework (CSF), which translates the EU strategic objectives and priorities

into key actions for rural development as well as the corresponding focus areas and, therefore, also for the EAFRD; the second, at each member state level, are the Partnership Agreements (PAs), which join a series of institutional and social representatives in order to implement rural development policy, to align the action of the Member State to the strategic objectives, to promote regional coordination, to integrate strategies to local needs and to ensure the efficiency and effectiveness of the interventions. Thanks to a unique coordination at European and national level, it is assured an overall investment strategy in line with the objectives of Europe 2020 (Sotte, 2012), thus ensuring coordination amongst all European funds.

Moreover, the European Innovation Partnerships (EIPs) have been also defined: they propose new approaches to define research patterns and EU innovation, which are more linked to the real needs of local production systems. The EIP are implemented through operational groups (OGs), namely cooperation projects between local actors aiming at a sort of co-production of knowledge and innovation through an interactive approach for the development of new practices geared towards farms and forestry (by creating new ideas or adapting existing practices to new geographical and environmental contexts). The OGs are drawn around an investment project specifically developed for companies that participate in the partnership to make them pursue specific business results generated by the rural development policy, with the aim of increasing productivity by the optimal use of resources, of promoting the reduction of emissions and working in harmony with natural resources (*Ibidem*).

From this brief overview of the path that led to define a new form of understanding of rural development, it is obvious that this should be based primarily on the valorization of local resources (products, skills, local knowledge) and on local players' ability to define and manage projects within the territory. In this context, the participation of local communities becomes central in the development and the sharing of objectives through a process that reinforces the sense of belonging as well as local identity (Berti, Brunori & Guarino, 2010). These latter are of particular interest firstly because they determine the possibility to be recognized, and thus to be differentiated, and secondly because the "shared stories", albeit not explicitly

formulated, form the basis of trust, cooperation and collective action.

The endogenous level of rural economy is therefore the result of a specific development line, through and within which material and intangible, local and external resources are mobilized, redefined and reconfigured. From this perspective, resources and external forces can also "become endogenous", and external factors may be mediated, incorporated and substantially transformed by local organizational structures, thus creating a certain level of "relative autonomy" and a protected space, compared to the processes of globalization.

Rural development can therefore no longer be considered a synonym for agricultural development, as it has been for a long time, but rather it has to consider and enhance the multifunctional nature of agriculture, supporting the diversification of rural areas and pursuing the integration of a plurality of economic and social activities, and of these ones with the territory and the local environment (Belletti & Berti, 2011).

In this framework a model able to adopt innovations based on multifunctionality, and at the same time to valorize local identity and endogenous (environmental, cultural, social) resources, is certainly the family farm, thanks to its management flexibility and rooting in the territory.

II. THE MULTI-FUNCTIONAL AGRICULTURE AND THE FAMILY FARM INNOVATION

The multi-functionality of agriculture is a concept based on the increasingly segmented demand of goods and services that comes from society. To be effective, it must still renew the two-way exchange between agriculture and landscape – as highlighted in the rural development plans – by investing in the valorization of the endogenous potential of territory and in the acquisition of knowledge and technologies. The new agricultural business models can find their innovative momentum in the mobilization of material and immaterial resources that are already present in the local environment, as well as by investing in human capital. «The agricultural production activity needs [in fact], like the others, a specific and significant contribution of knowledge,

partly contextual and acquirable with expertise in the workplace and partly codified and transferable in time and space» (Pulina, 2011, p. 25).

The valorization of human capital as defined in the new models of agriculture – advocated even by the most recent CAP – is reflected especially within the family farming model, whose choice in the field of human capital investment is adequately influenced by the territorial reference context, even in spite of a specific allocation of knowledge. A qualification of the labour factor, which represents significant wealth not easily transferable from one place to another, is thus essential for the growth of agricultural production, particularly if it distinguishes a “family business community” in which human capital is accumulated and crystallized.

This peculiar trait is one of the key features that contributes to the definition of family-based agriculture, which is somewhat not unique in some ways, its meaning varying and depending on different local contexts. According to the European Commission report on family farms, EU countries provide no definition of the family farming model. However, in accordance with what was claimed by the FAO on the 2014 International Year of Family Farming (IYFF, 2014), it coincides with a particular form of agriculture including «all family-based agricultural activities, and it is linked to several areas of rural development. Family farming is a means of organising agricultural, forestry, fisheries, aquaculture and pastoral production which is managed and operated by a family and predominantly reliant on family labour, including both women’s and men’s. [Its objectives address the] rural regeneration, food security, preservation of cultural values, stewardship of biodiversity and competitiveness on the world market» (European Commission, 2013, pp. 5-6).

On a general basis, then, family farming can be seen as «that one practiced by groups of people including smallholders and medium-sized farmers, peasants, indigenous and traditional communities, as well as fishermen, shepherds, and much more, including people who use the available or leased land. The farms are managed by family groups, most of which are headed by women, who often play an important role in the production, processing and marketing» (Marino, Gianfelici, 2014, p. 24). As regards agricultural enterprise size, the standard

area generally does not exceed one hectare, but also in this case the situation is still liable to undergo significant changes. According to an estimate carried out by the Committee for World Food Security (CFS), most of the family farms below 2 hectares are located in Asia and Africa, while in European contexts their average size is «10 hectares. However, family farming in Europe is not confined to small-scale operations as 60% of the largest farm size class of 100 plus hectares are family-owned» (European Commission, 2013, p. 34). In short, these are considered family farms both for management and the labour resources employed, whose common objectives are: food security; environmental sustainability; the preservation of traditional food and contribution to a balanced diet; the contribution to the vitality and strength of the rural economy (INEA, 2014).

The family farm, then, becomes a novelty when it embraces the paradigm of multi-functionality and starts a production process oriented to achieve scope, not scale economies (Milone, 2009). To reach this purpose, rather than increasing the level of production, and therefore the size of farms, and/or adopting a greater activities’ specialization to significantly reduce the costs, more priority is given to enhance a number of factors and conditions that distinguish a multi-functional and multi-product enterprise (which coincides with a renewed farm model). These factors are:

- diversification of business activities and production;
- flexibility of family labour (multiple jobs);
- acquisition of knowledge and skills of farmers;
- prevalence of artisan component in the production process (local resources);
- creation of a reference market;
- creation of a network through which to intercept external markets even outside the regional limits.

In essence, a dynamic process is necessary, resulting from the interaction between the environment inside and outside the farm, the activation of which originates from the initiative of the holder and his family who provide their workforce, their potential knowledge and traditions that are fed by, and rooted in the territory in which they were born. Thus, the link with the endogenous resources of local agricultural systems is fundamental. Businesses that satisfy the economic, social and environmental sustainability targets are those referring to local resource use and

the exploitation of modern technologies and product marketing. The work availability of one's own family and the possibility of its continuous reallocation help to reduce the cost variability in relation to market changes and the consequent transaction costs (*Ibidem*). The entrepreneur's experience, the network within the local area, the ability to access information are additional elements that must be taken into account by a farm which wants to enable innovation processes.

Therefore, the rural world is moving ever further away from the traditional model of agriculture, gearing towards a development model that, to be competitive, must acquire a higher degree of professionalism and competence, innovate in terms of both organization and production, create a direct relationship between producer and consumer, produce (together with the agricultural product) public goods and positive externalities not only in environmental terms, but also socially and economically (OECD, 2005). In particular, there has been a profusion of initiatives to support, or even to replace, agricultural production with tourism, recreational, educational, social, services and non-agricultural products (like wind, solar power, etc.).

III. THE FAMILY FARMING IN ITALY. WHICH PERSPECTIVES?

In Europe, where the vast majority of agricultural enterprises (97%) can be categorized as family farms² and cover around 69% of the EU agricultural land (European Commission, 2014), a deep crisis within the production model, which affects particularly small farms, is taking place. The agricultural enterprise must therefore face this challenge using a generational change, a structural modernization, diversification strategies of assets and labour flexibility.

In Italy, where land consumption is equal to 7.3% (ISPRA, 2014, p. 7)³, however, the contraction of the UAA showed a slowdown: from -12% in the previous intercensal period towards -2.5% in the latest available one (2000-2010) (ISTAT, 2013, pp. 23-24). This positive trend can be probably explained with an increasing attention to the care of the places by those family farms which are more oriented to "economies of scope", and with the progressive commitment of the national and regional

rural development programmes, which are more sensitive towards sustainable initiatives aimed at enhancing the specific territorial vocations.

As in the case of Europe, Italy shows a productive agricultural model largely based on the owner farming basis: according to the 2010 General Agricultural Census there were 1,620,884 total farms, 1,603,709 of which (98%) are family farms. Thus, there is a high prevalence of farms consisting of a single person directly engaged in the constant and systematic cultivation and/or livestock farming, who aims to produce or exchange goods and services, alone or helped by his family members, showing in such way strong roots in the territorial context. At national level, in fact, the percentage of the total number of farms and the utilized agricultural areas (UAA) shows higher values for individual farms, with 96.1% of them growing 76.1% of the UAA. By evaluating the data in relation to the conduction form, we notice that 95.4% are individual farms cultivating a UAA equals to 82.8% (ISTAT, 2013, p. 32; pp. 62-63). On average, family farms have a 7.9 hectare size (from 5.5 hectares in the previous census). They are distributed unevenly throughout the country, showing a higher concentration, in terms of UAA, in Southern Italy and the Islands (in the first case, with a share of 42.8%; in the second, of 17.3 %), and decreasing from North (24.4%) to Central Italy (15.4%) (Di Leo, Pierri, 2014, p. 7). In this type of farms the artisan component, namely the labour resource made available by the entrepreneur himself and his family, continues to be its main strength. «In terms of the days worked in farms, the historical comparison of census information shows a fairly stable model of agriculture, where the family labour still has a really important place, despite a slight decrease in the last decade (80,1% in 2010 compared to 85.3% in 2000)» (*Ibidem*, p. 8). In this connection, women account for 28% of the total workforce.

In general, a decrease within the farm of the workload provided by other members of the family (others than the holders) has to be underlined. The holders, instead, confirmed their decisive participation in the management and organization of production (65.5% of working days in 2010 against 61.6% in 2000) (*Ibidem*, p. 9). In this framework, the family members could carry out activities which were not strictly related to agriculture, helping thus to diversify the income source. The results provided

by the RICA sample (2012) and analyzed by INEA show that economic value is lower in farms where the household work prevails: «The average of the total revenues of farms with family labour higher than three-quarters of the total is 83,594 euro and is about 10 times lower if compared to the value achieved by the farms in which the wage earners prevail with more than three-quarters of the labour force» (*Ibidem*, p. 10). The level of self-consumption, which in Italy regards 81,5% of the total farms, is another relevant important indicator to assess the competitiveness of farms. The majority (50,7%) of these consumes less than 50% of their own production, while 34% uses their entire production. Farms selling their products account only for 64% of the total⁴ (Istat, 2013, p. 117).

In this regard, the assessment of the so-called profitable related activities and their census articulation in different types (5 in 2000 census, 16 in 2010 census) must be added. As for their growth, there has been a

steep increase to cope with the reduction and instability of revenue from traditional activities, caused by the structural decline and the economic crises in agricultural markets (Henke, Salvioni, 2011). The latest data (2010 Census) show, however, that the farms dealing with activities related to cultivation and breeding are just over 76,000 (4.7% of total farms). The majority of them, 80.8%, also carries out a single activity concerning agriculture, while the most complex enterprises, marked by multiple activities (four or more), are only 2.4% of the total (Table 1).

With regard to family farms, they range from the simplest mode of multi-functionality – the one defined “weak” by Henke and Salvioni (2010, p. 3), on the basis of Wilson’s idea (2008), which leverages the enhancement of agricultural practices without implying a reorganization of production factors in the farm – to the most complex forms of broadening and regrounding⁵.

Table 1. Multifunctional firms and number of related activities

	multifunctional farms (% of total farms)	n° of related activities (%)		
		1	2-3	4
Puglia	1,6	92,1	6,8	1,1
Calabria	1,7	87,7	10,5	1,9
Sicilia	1,8	89,5	9,4	1,1
Abruzzo	2,8	85,1	13,1	1,9
Basilicata	2,9	87,4	11,2	1,4
Lazio	3,1	82,4	15,2	2,3
Molise	3,1	86,4	12,4	1,2
Campania	3,5	86,4	12,1	1,5
Sardegna	4,6	86,2	11,4	2,4
Veneto	4,6	81,7	16,3	2
Italia	4,7	80,8	16,8	2,4
Marche	5,6	81,5	16,9	1,6
Umbria	5,9	85,4	13,3	1,3
Friuli Venezia Giulia	8,5	74,8	21,8	3,4
Emilia Romagna	9	77,1	20,2	2,7
Liguria	9,3	70,4	17,9	11,7
Toscana	9,8	79,9	17,7	2,4
Piemonte	10,2	78,4	19,5	2,1
Valle d’Aosta	10,8	79,7	19,5	0,8
Lombardia	15,5	74,1	22,5	3,4
Trentino Alto Adige	19,7	73,5	24,2	2,3

Source: Luigi Mundula’s elaboration based on Bellini *et al.* (2013).

By examining the unbundled data (Table 2) and the number of the carried out activities, it can be inferred that broadening activities are the most widespread, reporting a net result of about 56% of the total, and with two specific assets (“sub-contract work for agricultural activities” and “on-farm tourism”). They add up for about 40% of total activities. Deepening activities, instead, cover about 38% of the total, thus highlighting “products (plant and animal) transformation” and their “initial processing” as their principal activities.

In this context, it is interesting to note that the importance of related activities (in terms of weight percentage of the total) proportionately changes in relation to both the physical size of the farms and their geographical location, with a higher concentration in the North than the South and with a larger trend for farms with greater economic dimension (Henke & Povellato, 2013). On the other hand, the distribution of these related activities in each region is quite diversified (Table 2), albeit there is evidence of a certain prevalence of broadening activities.

The other activities related to the primary sector, for example those expressing positive environmental externalities, occur at a low rate and not only in family-farm businesses (Henke & Salvioni, 2010)⁶.

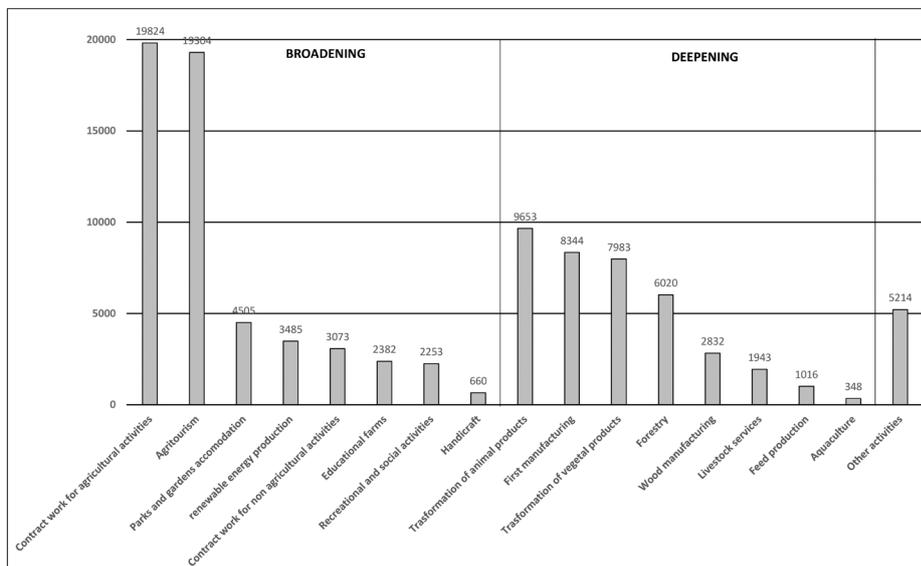
From a generational point of view, by comparing the two last censuses we notice that at national level farm managers under 30 move from 2.1% to 2.2%

(ISTAT, 2013) and the median class lowers from 64-60-year old to 55-59-year old ones (Greco, 2013, p.14), whereas a prevalence of over sixty year-old farmers on the total of the family workforce (43%) still remains, as for family farms. However, for the other members of the family the trend shows a lowering of the age (52.1% up to 40 years) (Di Leo & Pierri, 2014, p. 9). A positive aspect is represented by a percentage of graduated holders who move from 3.5% to 6.2% (Greco, 2013, p. 14).

If, on the one hand, these data appear encouraging since the presence of young people ensures the temporal continuity of businesses (Barberis & Siesto, 1993; Carbone & Corsi, 2014), and the workers’ age and qualification is directly related to the propensity to invest and innovate, on the other hand they show that there is still a serious problem connected to the holders’ age, concentrated in the older age groups, who represent the true pillar of the agricultural activity and the figure to which the continuity of the business life over time is entrusted. This is also due to the family dynamics which conceive leadership mostly as a mere, generational turnover process determining a high farm mortality (Carbone & Corsi, 2014) due to a poor or a completely absent inclination of the holder towards the planning process (CESPIM, 2009).

The analyzed data do not represent yet a prosperous situation for Italian multifunctional farms, despite the current international debate on rural develop-

Table 2. The profitable related activities



Source: Luigi Mundula’s elaboration based on the Agricultural Census (2010) data.

Table 3. The distribution of the related activities at Italian regional level

	Deepening	Broadening	Other
	%	%	%
Puglia	29,5	67,2	3,3
Calabria	40	56,4	3,6
Sicilia	36,4	49,7	13,9
Abruzzo	45,3	51,1	3,6
Basilicata	43,3	52,5	4,1
Lazio	43,1	50	6,9
Molise	27,8	70,2	2
Campania	56,2	39,4	4,4
Sardegna	47,4	47,7	4,9
Veneto	35,4	59,2	5,4
Italia	38,6	56,1	5,3
Marche	33,7	62,3	4
Umbria	24,8	70,4	4,8
Friuli Venezia Giulia	42,9	50,2	6,9
Emilia Romagna	39,7	55,8	4,4
Liguria	54,8	42,1	3,2
Toscana	31,7	64,1	4,2
Piemonte	37,4	54,7	7,9
Valle d'Aosta	59,2	36,9	3,9
Lombardia	42,9	50,3	6,9
Trentino Alto Adige	28,6	69,4	2

Source: Henke, Povellato (2013).

ment for the definition of agricultural support policies and instruments.

There are still indeed some difficulties on the part of Italian agricultural enterprises to move towards models which can link with local markets in order to exploit their potentialities. There is both a difficulty in assuming visions, behaviours and strategies related to the local system, and a resistance of the stakeholders in ensuring services to the communities (Casini, 2009). Nevertheless, the family farm corresponds to the most suitable enterprise model to produce multi-functionality and innovation in the rural areas, because of the characteristics that we have already mentioned above (flexibility, rootedness in the local context of belonging, work as a resource of the farm itself).

IV. CONCLUSIONS

The CAP reform's objectives, in its various steps, mainly have concerned the improvement of the competitiveness of European agriculture, the market re-orientation of production, the promotion of sustainable and socially acceptable agriculture and the strengthening of rural development.

More in detail, the European rural development model is based on the idea that rural areas don't have to be a closed system otherwise the resources useful for its support couldn't be attracted. Endogenous and exogenous resources indeed should be combined: «the concept of rural development therefore represent a variety of forms produced by the social construction of rurality, where the rural space and the rurality depend on the interaction of cultural,

social and moral values that are the result of the political, economic and social interaction of actors and practices spatially different» (Ventura, 2008). In this direction also contributed the change in consumption models, as cities inhabitants in the rural areas look for what they feel to have lost and that think it's still present in the countryside lifeway: unique and symbolic goods as landscapes, identity and the traditions.

Thus, the rural development cannot simply correspond to the idea of economic growth in rural areas, but has to be also linked to the social and environmental dimensions of a territory according to a sustainable and integrated approach.

A such approach implies that rural development has to ensure the conservation of the resources on which the production process is based, with particular reference to environmental and cultural ones. The respect for the natural and cultural environment therefore plays a crucial role in the process of rural development. The point that has to be stressed, useful for the definition of sustainable rural development, is the centrality of the interaction between society and nature, according to which sustainable development is such if it supports any reproduction of the resources used in the production process, referring particularly to local environmental and cultural resources. An integrated approach, on the other hand, implies that rural development should perceive as its main target the production of relational goods (Pascale, 2010). This last can be reached only if farms discard the traditional approach at the basis of the paradigm of modernization, which based farm's external relations merely on links with the agro-industrial world through the production of raw materials. The new perspective requires indeed a reconnection of production activities to places, through innovative process.

These processes, nonetheless, must not only be technological: if that were the case, farms could find themselves trapped in a "technological treadmill" (Cochrane, 1958), or in a continuous process of technological pursuit. Moreover, under certain circumstances can the transaction and coordination costs linked to technological innovation processes neutralize the benefits of economies of scale (Williamson, 1975) and specialization (Becker & Murphy, 1992), making the adaptation strategies based on exploitation of such benefits ineffective if

compared to the target of farm incomes protection.

The target should be indeed the creation of new networks around the supply of quality products, farm holidays services, personal services, cultural activities, initiatives of hospitality and integration of immigrants and improving a better quality of life in rural areas (Ventura et al., 2008). This kind of networks, rooted in the local context through the production of goods such as reciprocity and mutual help, are not alternative to international markets of agriculture products, but are able to strength and expand the social capital that can give authenticity to the values underlying the rurality, averting the risk of their trivialization and a substantial loss of attractiveness of rural areas (Caggiano et al., 2009).

This need towards multi-functionality, which meets the need to satisfy "economies of scope", shifts the focus on product quality, innovation processes and differentiation of the agricultural activities undertaken by the farm.

Possible actions can be a simple crop diversification, which can be manifested in the diversification of the potentiality of the agricultural production of each farms (organic products, local products etc.); as well as a variety of activities not specifically related to agriculture, but which carry out social, environmental, recreational and leisure functions. As has been highlighted during this analysis, in the Italian case the multi-functionality results in agricultural practices characterized by enlargement and valorization of the functions performed, especially in larger family farms concentrated mainly in the northern portion of the country (Henke & Salvioni, 2010, p. 4).

It could be argued that the reduction of the farms, as highlighted by the last census, is a negative signal even because it seems to be significantly related even to those farms performing "related activities". Namely this aspect may depict the diversification as a "last resort" before a failure determined mainly by structural elements: small size of the business, the high age of its holders and the absence of generational turnover.

But even if at national level family farms are facing a still low profitability (mainly for their smaller structures) some positive signals lead to consider it likely that economy of scope will achieve success

in the future. These are: the presence of a business that achieves a very high percentage (even if we do not have to disregard that multi-functionality is not planned for an exclusive use of the agricultural farms); the female component, also in the role of farm manager (30.7%), as well as the increased education of the holders. Moreover, the introduction of agro-environmental choices to reduce the negative effects of agriculture is a further changing and renewal signal.

Starting from the highlighted characteristics of the family farms, these last represent the best present potential answer to foster the innovation of the Italian agricultural sector and its change of direction towards more efficient forms, aimed at sustainable and integrated rural development, and therefore worthy to be adequately incentivized and, where applicable, subsidized.

Ultimately, the rural development based on a family multifunctional agriculture, jointly producing food goods, public goods and relational goods, significantly contributes to economic and social development of rural areas because it allows to increase the capacity of local areas to organize themselves in ways able to catch up to new markets, both in terms of typical products and services related to agricultural activities. Therefore, rural development should no longer be a policy oriented merely to support agriculture development but should be effectively integrated into other territorial policies, and so unifying the corresponding funds, which would intervene as well to increase the competitiveness of all the territory.

Notes

¹ Although this contribution is a joint work, paragraphs 2 and 3 are specifically attributed to Luisa Spagnoli, and paragraphs 1 and 4 to Luigi Mundula.

² The EU Regulations on statistics on the structure of farms (EC Regulation no. 1166/2008, EC Regulation no. 1200/2009 and earlier) determines the classifications to be adopted in the agricultural censuses of the Member States and their definitions. Regarding the legal form, these regulations identify three types of farms:

- those where the holder is a natural person and the only holder of an independent farm;
- those where the holder is a group of individuals who participate in a “group of farms”;

- those where the holder is a legal person.

The first type is the one that comes closest to the concept of family farms as it involves the presence of a conductor, natural person, whether or not assisted by members of his family and / or employees.

³ The information results from the decrease of 32 % farms compared to the 2000 agricultural Census (from a total of 2,396,274 up to 1,620,884).

⁴ This figure, which is apparently very low, may be linked to the fact that the seasonal nature of agricultural activity and the frequent recourse to day-to-day work make it a difficult area to control, exposed as it is to largely informal dynamics, when not illegal. It should be added that the official estimates highlight a share of underground economy in the agricultural sector amounted to about 30%. In addition to this, the data on self-consumption do not derive from objective measurements, but from mere assertions that therefore may be false.

⁵ The multifunctional practices range from deepening activities (that is, the enhancement of agricultural production over those related to the agricultural sector through the appropriation of functions that typically occur downstream, or upstream, of the company) to broadening activities, which result in an expansion of the functions performed by the farm and are not directly agricultural. We should mention also the category of regrouping, namely a “relocation” of the production factors of a company, which may have effects on costs and labour utilization, as they include multiple jobs and economical farming (Henke and Salvioni, 2011).

⁶ Considering only some of the aspects evaluated in the last national census of agriculture, farms with UAA organic impact on those with UAA non-organic for 2.7%. Comparing the figure for the cattle companies, the percentage of those using organic methods is 3.9. Companies with certification (Protected Designation of Origin - Dop and Protected Geographical Indication - Igp) is 152,012 with crops, 31,254 with livestock (in total representing 11.3% of Italian farms). The production of biomass (liquid biofuels and / or biogas) is present with a national average of 9.4%. The other forms of energy supply have a low influence, except for the solar one, which is used for the 80.2% from 21,573 companies with installations for the production of renewable energy.

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