

*Typical and traditional productions:  
Rural effect and agro-industrial problems*  
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## **An inventory of emerging innovation projects in Belgian agriculture<sup>(?)</sup>**

### **ABSTRACT**

*This paper describes an inventory of collective innovation initiatives in Belgian agriculture. The inventory contains collective actions of both producers and consumers mainly for the installation of new market channels, but also for the provision of new services and the promotion of regional products. It is demonstrated that all these initiatives emerge from the same logics: restoration of the confidence in production systems and product quality, maintenance and protection of natural resources and struggle against the marginalisation of farm labor and less favoured areas. All initiatives experiment with new forms of economic relations in which principles such as equality, democratic participation and reciprocity between producers and consumers at the local level are important. It is therefore argued that these initiatives fit in a broader movement of a "new social economy".*

### **INTRODUCTION**

Today, the agricultural sector passes a kind of identity crisis with a lot of problems, mainly due to the reduction of prices (because of production surpluses), environmental constraints, a bad public image because of a number of scandals (BST, hormones, ...), demands for better quality, etc.. A

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number of farmers as well as consumers is therefore in search of new forms of production or commercialisation in order to overcome these problems and to re-establish the confidence in the production and commercialisation systems. It concerns not only private initiatives but collective projects as well in which farmers, consumers and/or intermediates cooperate to change the relations between the actors in the marketing chain or within the local community. In their discourses these initiatives often refer to other than economic objectives such as the protection of local resources, ancient production systems, social relations, ethical principles, etc.

Till now, this kind of collective actions of auto-organisation and innovation have not received much attention in scientific literature. The economic theory about this kind of organisations (social economy or non-profit economy) has paid a lot of attention on managerial and organisational questions, but less on theories explaining the emergence and development of innovative initiatives. In the French literature some attention is paid to it ([1], [2] and [3]) with references to relation theories and theory of the economy of conventions.

Today, also public authorities show more and more interest in this kind of initiatives as a possible way of securing the quality of food products and the provision of collective goods such as environmental values. Therefore the Belgian State - Prime Minister's - Office for Scientific, Technical and Cultural Affairs has initiated a multidisciplinary research project to study the factors explaining the emergence, development and functioning of these collective actions and the possible role of public intervention. In the project three research teams are cooperating: the department of agricultural economics of the University of Gent, the department of sociology of the University Foundation of the province of Luxemburg and the participative research division of COOPIBO, an NGO working with farmers both in Belgium as in developing countries. The research is divided into four stages:

- ?? an inventory and classification stage
- ?? an analysis and evaluation stage of a number of initiatives (case-studies)
- ?? an analysis of possible instruments of public intervention
- ?? a generalisation and recommendation stage

This paper is reporting on the first phase of the project, the inventory and classification stage and will focus on the conceptual framework and the presentation of the inventory results. It must be emphasized that the objective of this first research phase was not to quantify the economic importance of innovation projects or initiatives, but to estimate their coverage over the country and their diversity. As the objective was to cover initiatives relying on social motives and trying to modify the relations between the actors in the production and commercialisation chain, first a conceptual framework and selection criteria for the inventory have been formulated. They are presented respectively in section 2 and 3. In section 4, the results of the inventory are presented, classified according to different criteria. Based on the inventory, in section 5 some analytical observations are presented in a first attempt to isolate the factors explaining the emergence of the initiatives, while in section 6 some first conclusions and perspectives for the further research are formulated.

## RESEARCH FRAMEWORK

As already indicated, the project fits into a research programme on “social economy” with emphasis on collective action and self-organisation of citizens. In this kind of actions moral and social considerations as well as relations based on conventions more than on pure commercial principles play an important role. Therefore the theory of “social economy” was at the basis of our reflections.

Recent literature on social economy is distinguishing two periods. In the first period which started in the 19<sup>th</sup> century, the social economy emerged as a reaction on an economic system which was only interested in the production of surplus (the fordiste economy), without paying attention to the division of this surplus. Two important movements where the cooperative movement intervening in the production and commercialisation chain to obtain better and fair prices and organisations in the social security more focussing on the redistribution of the profits (e.g. social medicine organisations). In particular the first movement was important for the development of agriculture. These movements are now institutionalised and play an important role in our society. Since the end of the seventies, however, a new development in the social economy can be observed which find his reasons in:

- ?? an “economic” crisis linked to the delay in the consumption on the internal market, the globalisation of trade, the introduction of new technologies and the growing importance of the third sector in the economy
- ?? a “cultural” and “confidence” crises both in the finality of economic activities (is it needed to produce more at lower prices, the quality of products, the production ethics, ...) as in the role of public authorities

As indicated i.a. by [3] this double crises makes that the “fordiste” economic model (standardized production systems and economics of scale) is put in cause. A “post-fordiste” model with more emphasis on the quality of the product and with more attention for segmented markets is starting to develop. As showed in [1] this is in particular true for the agro-food sector. Our hypothesis is that this has initiated, because of the apparent impossibility of the “institutionalised” organisations in the social economy (the above mentioned cooperatives and other non profit organisations) to formulate adequate responses (they emerged in the fordiste model and put emphasis on distribution of profits and social redistribution) to this crises, the emergence of number of new organisations working around the differentiation of the supplied products (higher quality, transformation at the farm, direct marketing, ...) and the inclusion of growing social demands such as the protection of the environment, the maintenance of landscapes and other new services in the production process. These dynamics seems to develop new “networks” (filières) of which one of the objectives seems to be the elaboration of new “conventions” on product definition, quality, production mode, etc. They can therefore be regarded as attempts to find adequate solutions for problems linked to the “post-fordiste” economy.

This observation has led to a research framework in which the relations of the producer with his external environment are the central focuss. Four dimensions can be distinguished in this relation (see Fig. 1):

*G. Van Huylbroeck, I. Verhaegen, E. Collet, M. Mormont, P. Stassart<sup>1</sup>, J. Vannoppen*

- ?? the relation with the consumer (the market relations)
- ?? the relation with the institutional environment (vulgarisation and extension, public sector, agricultural organisations, ...)
- ?? the relation with the local environment consisting of both the local society and the local natural environment
- ?? the labour and human relations

The initiatives studied in the project try in one way or another to modify at least one of these relationships. This grid delimitates the field of observation but is not giving real criteria for the inventory. Therefore, selection criteria have been defined that could be used as indicators for the selection of initiatives. They are described in the next paragraph.

### **3. METHODOLOGY AND CLASSIFICATION CRITERIA**

As explained in previous section the objective of the inventory is to observe the emergence of new configurations for economic activities in the agricultural sector trying to respond to the challenges of the “post-fordiste” society. As there are no data-bases available, initiatives are inventorised on the basis of interviews with privileged observers working in the field such as people from the federal, regional and provincial agricultural administrations or related services (like agro-marketing promotion, agro-environmental measures, etc.), professional organisations, regional landscapes and natural parks, federations of initiatives, consumer associations, etc. On the basis of these interviews, 323 initiatives have initially been identified. In order to delimitate the field of observation further these initiatives have been checked on six selection criteria permitting to classify initiatives positively or negatively, this means as belonging to our field of observation or not. The selection criteria have been chosen in such a way that they permit to translate the above hypotheses about new initiatives, without excluding initiatives coming from institutionalised configurations. Following criteria have been retained:

**a. collective nature**

As [2] is indicating transformations and mutations in society provoke new forms of cooperation. As one of the basic objectives of the research is to study collective actions, a criterion allowing to distinguish collective actions from pure private initiatives (as e.g. private initiatives of transformation of farm product, etc.) seems obvious. The collective nature has been evaluated on the basis of:

- the existence of an institutionalised juridical form of cooperation or
- the existence of an informal form cooperation (association de fait)

**b. implication of the agricultural sector**

As the field of observation is the agrarian sector also this criterion looks obvious. It has been operationalised by the requirement that at least one farmer has to be involved in the project. Farmers can be at the origin of an initiative or participating in initiatives initiated by other groups (consumers, environmental protection movements, etc.).

**c. innovation aspect**

The innovative nature of projects has been measured in terms of their novelty in modifying the relations described in fig. 1. Projects can be innovative in the production method (e.g. organic farming), in the commercialisation of the products (e.g. direct marketing) or in the provision of new services. In practice, the retained initiatives:

- ?? are producing or marketing “novell” products or services (labeled farm products, remunerated environmental services, ...);
- ?? promote and apply alternative production methods (integrated pest control, organic farming, ..);
- ?? organise an alternative production and commercialisation circuit (farm product market, consumer groups, ...).

**d. social and moral aspect**

With regard to the fundamental objectives of the social economy, it makes sense to include a criterion that checks in how far the initiatives have broader pre-occupations than only the pure (individual) commercial or financial goals of the participants. In practice projects express an engagement or moral vision on either the production systems, consumption patterns, the human relations between producers and consumers, local development, etc..

**e. auto-organisation**

Auto-organisation means that projects have to be initiated by private citizens and not by public authorities. This does not mean that initiatives can not be a reaction on policies or use public subsidies. It only indicates that the initiative of the project comes from actors outside the “normal” public and economic institutions.

**f. local aspect**

*G. Van Huylbroeck, I. Verhaegen, E. Collet, M. Mormont, P. Stassart<sup>1</sup>, J. Vannoppen*

Finally, the retained projects are judged upon their use of local resources or their involvement (embedding) in local society. This criterion is the most difficult to judge and has been not used as an exclusive one, but seems to be present in most cases.

As a whole the six definition criteria can be regrouped as represented in Fig. 2. The implication of farmers is delimiting the field of observation to initiatives in the agricultural sector. The innovation and ethical aspect are two important criteria given by the objectives of the research. Collective action is delimiting the observation field further and within these movements or projects only those initiated by local citizens are selected (auto-organisation and local criterion).

## *An inventory of emerging innovation projects in Belgian agriculture*

To make the selection, people involved in the preselected projects have been contacted. On the basis of their indications the projects have been given a score of 0 (absolute absence of the aspect), 1 (partial presence) or 2 (full presence) for each of the six criterion. Only those initiatives which in the judgement of the researchers correspond sufficiently to all criteria, have been retained in the final data-base. The analysis in section 4 refers to those selected initiatives. In total the inventory contains 156 or 48 % of the original revealed projects. This does not mean that our inventory is exclusive and that no other initiatives exist. To be more complete a follow-up with feedback of the people in the field should be organised. However, the number of projects retained is sufficiently high to be able to distinguish certain tendencies and to arrive at some analyses and conclusions.

### **4. INVENTORY**

#### **4.1. Quantitative results**

##### *4.1.1. General*

An overview of the collected information is given in table 1. In row (1) of the table the initiatives meeting the criteria are given per province as well as for Wallonia, Flanders and Belgium as a whole. In row (2) the number of federations (covering certain groups of initiatives) is mentioned. In the further analysis, they are considered as a separate group as they do not operate at the local but at the provincial or at the regional or national level.

In row (3) some doubtful cases are mentioned (most of the time because of lack of information), while in row (4) initiatives are mentioned which are not fully meeting the criteria (e.g. private projects or projects initiated by a public service) but which are closely linked to above described dynamics. In row (5) and (6) resp. the number of initiatives signalized after the closure of the survey and the non-active initiatives are mentioned while row (7) gives the number of indicated initiatives which were finally not selected.

*G. Van Huylbroeck, I. Verhaegen, E. Collet, M. Mormont, P. Stassart<sup>1</sup>, J. Vannoppen*



### *An inventory of emerging innovation projects in Belgian agriculture*

With regard to the division of the initiatives over the country (see fig. 3 and annexe1) there are no big differences between language regions or between provinces. The provinces of Oost-Vlaanderen, Hainaut and Luxembourg have the highest number of initiatives but if this is due to a weaker position of the official farm organisations, or because the agriculture is more marginalised and of smaller scale or because of more typical characteristics of the regions are at this moment still hypotheses which have to be tested further. Also the fact that in some of these provinces there are important European programmes in the framework of objective 5b, such as LEADER, etc. is probably not strange to the high number of initiatives.

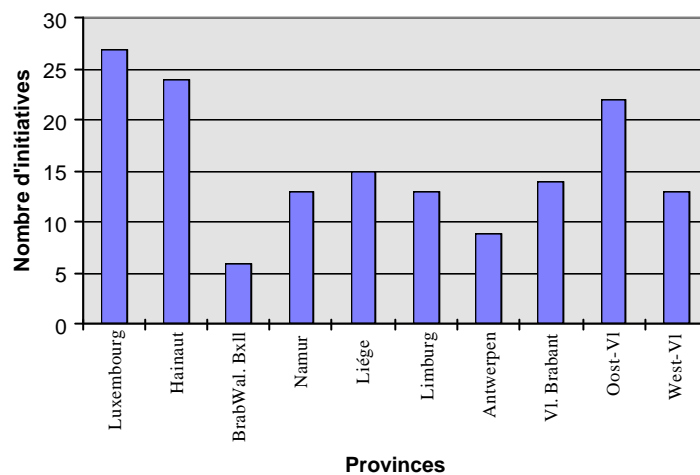


Fig. 3: Division of the initiatives (in absolute number) over the provinces

In the rest of the table, the 156 retained initiatives are classified according to a number of criteria which are further discussed. They give insight in the juridical form of the initiatives, their nature and type, foundation year, initiators and the character of the products provided.

#### *4.1.2. Juridical form*

As indicated in fig. 4 more than half of the initiatives are organised under the juridical form of an association without profit objectives (asbl) or as a factual association, but 25 % have taken the form of a cooperative, in particular those initiated by farmers. Another 20 % have another or no statute, meaning that in some of these initiatives the cooperation is based on mutual confidence. One of the research subjects for the future is to study if the existing juridical forms are suitable enough for these new developments in the social economy.

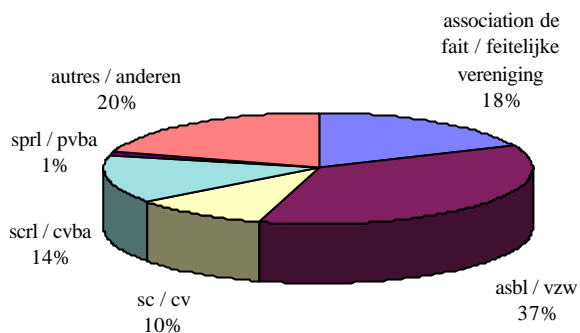


Fig. 4: Juridical form of the retained initiatives (in %)

#### 4.1.3. Foundation year

The number of years initiatives are already existing is variable. The inventory has revealed both initiatives older than ten years as well as projects just emerged or founded. Relatively older initiatives are more frequent in Flanders than in Wallonia, which can be explained by the boom of farm product markets in the early eighties in Flanders. In Wallonia the interest for farm products markets is more recent. Of course these figures have to be analysed carefully as the inventory only contains initiatives which were active on the date of the survey.

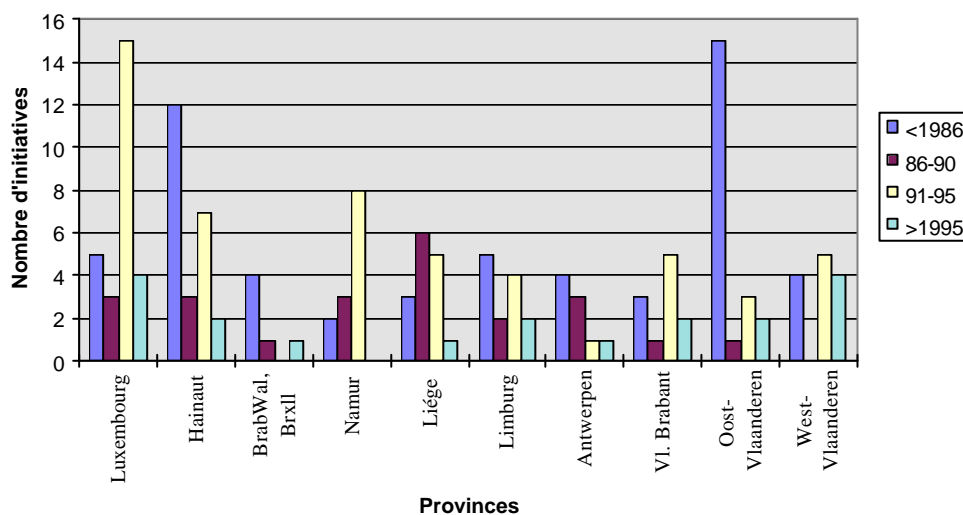


Fig. 5: Foundation period of initiatives

### *An inventory of emerging innovation projects in Belgian agriculture*

It should be interesting to know how many of the projects started in a certain period are still active after a number of years. Another interesting point to be studied further is the relation between the installment of certain subsidy possibilities and the foundation of cooperations and the influence of the duration of subsidy mechanisms on the appearance and disappearance of organisations.

#### *4.1.4. Initiators of initiatives*

Interesting to see is that an equal number of initiatives is initiated by farmers, non-farmers as by common action of both farmers and consumers (Fig. 6). This shows that the above cited pre-occupations underlying the new developments (economic crises, doubts about the quality of products, care for external effects of agriculture) are really a social phenomenon and that these initiatives can not only explained as organisations of farmers to increase their income. One of the points of attention in the further research will be the role of the initiators or promoters and their role in other networks as well as their role in the persistence of initiatives.

#### *4.1.5. Typology*

As can be derived from fig. 7 about two thirds of the initiatives try to establish new commercialisation chains (filières), while about 20 % of the projects are centred around the provision of new services (see further). About 11 % of the projects are choosing a territorial approach and try to promote local products.

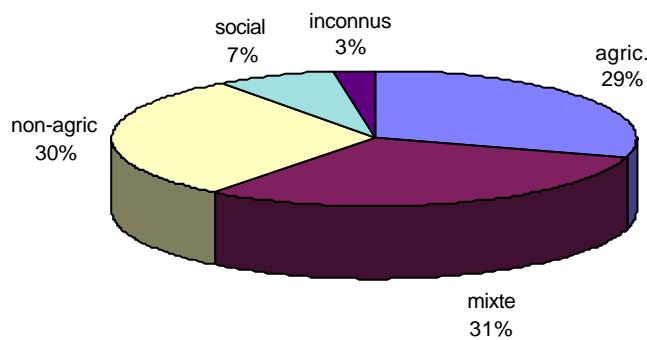


Fig. 6: Relative distribution of the initiators of initiatives

The rest are federations grouping certain types of initiatives like farm tourism, educational farms, etc. Although this subdivision could give the impression that nature and products (see also the last part of table 1) of the initiatives can be well distinguished, the reality is more complex as a lot of the retained initiatives present a mix of different dynamics (alternative commercialisation chains for local specialities e.g.). Therefore a more qualitative description of the initiatives in the inventory is necessary.

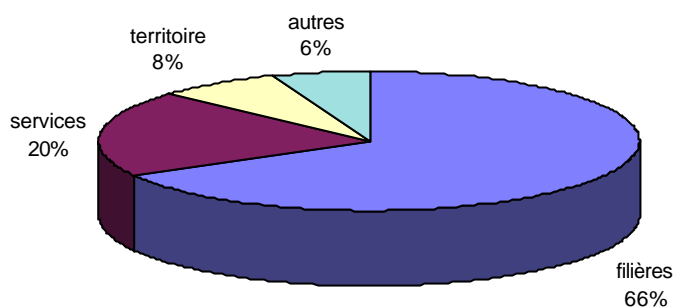


Fig. 7: Typology of the retained initiatives

## 4.2. Qualitative analysis

### 4.2.1. New filiales and commercialisation circuits

To have a more specific image of initiatives under this heading, the presentation distinguishes four groups belonging to this category:

- ?? new market chains for products with a specific or differentiated quality
- ?? alternative commercialisation forms
- ?? commercialisation initiatives for organic products
- ?? production and primary transformation initiatives

#### a. new market chains

To this group belong initiatives which try to set up an integrated production-transformation-commercialisation chain for products with a very specific or differentiated quality. They are centred around a specific type of product (e.g. porc or beef, valorisation of cereals, cheese, etc.). Their primary objective is to segmentate the market by creating a specific (collective) brand, by producing according to a "cahier de charge" or by using norms and certificates of e.g. the ISO 9002 type. The quality norms are often defined scientifically and certified by special control organisations. Although they use the same techniques as integrated quality management systems coming from the industry, the basic difference is that the influence of the producers in these initiatives is much higher and they want to promote a higher quality of the on farm product rather than a certificated standard quality. It will however be interesting to compare both constructions.

This kind of initiatives can be found back in all sectors (like e.g. labels for tomatoes or cereals) but is particularly frequent in the beef sector. The confidence crises of the public with respect to the meat sector (because of BST, hormone scandales, ...) is probably not strange to this observation. It is however important to notice that the construction of the marketing chain is much different from

product to product. In [4] it is demonstrated that e.g. for France the beef chain is much more difficult to construct than the farm chicken chain. Another remark is that a number of initiatives in this direction are now recuperated by public authorities (regional, national or even European quality labels e.g.). This indicates that the pioneer role of the initiatives is real and has not been underestimated.

**b. alternative commercialisation circuits**

Another number of initiatives tries to reduce the distance between producers and consumers by setting up direct contact possibilities (farm product markets in Flanders, direct selling groups (panier du pays) in Wallonia). The organisations in Wallonia are regrouped in federations, while such tentatives in Flanders have not been successful. Besides direct marketing and farm markets, also some other initiatives such as farm shops or centralised selling of farm products (food teams) belong to this category.

**c. commercialisation of organic farming products**

Although they use the same techniques as the ones described above, initiatives around organic farming can be regarded as a separate category because their reference is environmental protection rather than high quality. A larger number of these initiatives exists in Flanders than in Wallonia. A possible explanation can be the more severe environmental problems in the north of the country.

**d. production and transformation at the farm**

A fourth group of initiatives is more centred around the direct transformation of farm products. In this group cooperatives of farmers searching to diversify their production or to find remunerative occupation for their excess of labor can be found. To this group belong also some initiatives of farmers trying to obtain better input or output prices. The actions of these initiatives are close to those of the institutionalised cooperative farmers movements. Often they are founded because of a certain displeasure about these institutionalised organisations.

*4.2.2. Territorial approaches*

Another type of initiatives are those trying to use regional comparative advantages in the selling of their products. Most of these initiatives have as objective the promotion of the region and are associating actors from different sectors and professions. Promotion of typical and traditional products or production systems is one of their activities. Some initiatives are also using labels (cf the first group) but the difference is that these labels are more referring to the region as selling argument rather than to specific (superior) quality as do the ones in the first category.

Another number of actions within the group of territorial approaches are those linked to sites of special interest like Natural Parks or Environmentally Sensitive Areas. These type of initiatives, often initiated by environmental protection groups, are making use of the more or less specialised collaboration of farmers to maintain or restore specific landscapes (as e.g. extensive grasslands) or landscape elements (hedges, etc.). These farmers obtain in return the right use this in the promotion of their products. These initiatives are rather recent and often induced by subsidy possibilities from

the EU or other public authorities and very close to the category of initiatives promoting new services.

#### *4.2.3. New services and their federations*

In this group, initiatives can be found promoting:

- ?? farm tourism or farm education
- ?? management agreements for specific sites
- ?? social employment

The distinction between this group of initiatives and the previous one is that in these initiatives the accent is on non-food production. The first service (rural tourism) exists in providing accommodation for countryside and rural tourism. These initiatives are structured within the professional organisations (BB, Alliance Agricole, UPA). These organisations regroup both farmers who provide rooms as a kind of second activity as former farmers or non-farmers who want to valorize rurality as a separate economic activity. Another kind of projects in which questions about “the sense and future of the farm profession” are of particular interest are those around pedagogic farms. A network of farms which are open to the public (group visits, schools, ..) has been created in order to improve the public image of the agrarian sector. This kind of initiatives is also breaking the isolation of the farm sector and can be for certain farms an important source of income.

Both initiatives can be interesting case studies to study how the existing professional organisations try to recuperate new concepts about the role of the farm profession and the multifunctionality of farming. A particular interesting discussion is the one between professional farmers considering these activities as a secondary source of income and part-time or non-farmers for whom the valorisation of the countryside is the main objective.

The maintenance of environmental goods is another kind of service which is rapidly emerging the last decade. This kind of initiatives were originally started by Naturel Reserve Management Organisations who made management contracts with farmers for the maintenance of specific sites, but are actually promoted within the agro-environmental measures of the EU. This is another example showing the (important) pioneer role of these kind of innovative collective actions.

Initiatives of a totally different nature are those where agriculture is used for social re-integration and employment. These projects are not initiated by farmers but set up by organisations for social re-integration, social employment or with disabled people. The objective is to use the work at the farm, the contact with animals and nature as a kind of therapy for people with a social handicap. Although most of these initiatives have not so much to do with real farming, there exist some experiments with professional farms.

## **5. DISCUSSION**

The results of the inventory can be re-examined in terms of the theoretic background of the research project. Although the classification is very usefull for illustrative purposes, the presented typology is a bit artificial because a lot of initiatives combine several of the mentioned activities. Initiatives may very well try to set up a new commercialisation chain by referring to a territorial

*An inventory of emerging innovation projects in Belgian agriculture*

approach or environmental protection or they can pass from one objective to another. The inventorised initiatives must therefore be seen as forms of the same logics which can be combined differently in each particular project.

One of these logics is a market logic. From economic point of view, producers try to recuperate part of the added value now dispersed in the marketing chain or to increase the added value of their products. Three possible constructions to establish a new market can be distinguished:

- ?? the first one relies on the definition of the product (specificity). This can be as well the “biological” quality of an organic product, the quality “d’origine” of regional products or the “specific” quality of products transformed at the farm.
- ?? the second one relies on the construction of specific commercialisation networks (farm markets, farm product subscriptions) managed totally or partially by the farmers themselves.
- ?? the third one relies on the direct contact between farmers and consumers and try to re-establish the knowledge about and confidence in farm products.

These three constructions are of course not mutually exclusive. Important is that most of the initiatives try to re-establish the contact with consumers and even to include them directly in the network. In this sense, the fact that 30 % of the initiatives is initiated by consumers is remarkable but also indicative for a new tendency in the society (more concerned consumers). The same new “market” logic can also be applied to initiatives promoting the development of new services. They do indeed promote new products which are also the object of economic activities.

This re-establishment of contacts between producers and consumers subscribes perfectly the theory of the “post-fordiste” economy as described in section 2. The main characteristic why most of the initiatives in the inventory can be considered to belong to the social economy is that in the (re-) construction of a market, principles of democratic management, qualitative and moral objectives and reciprocity between partners are of high importance.

A second logic that may be distinguished, is based on the notion of “collective goods” as some of the activities, even if they can be individualised and contracted, do not lead to marketable outputs. These initiatives imply more than a particular type of consumer, the recognition of the existence of these collective goods and of the remuneration of services to maintain them. This implies that the beneficiaries of the outputs are only identifiable by intermediaries and thus by institutional forms. The initiatives often try to create this institutional form. The novelty lies in the fact that they present the reciprocity principle in addition to or even as an alternative of market mechanisms and/or public regulations for the provision of these public goods. This reciprocity often relies on the fact of belonging to the same region or territory.

The “territorial” or local factor is therefore certainly the third logic which can be distinguished because most of the initiatives are based on local networks or regional sentiments. This territorial dimension can be explicit (like in the initiatives described in par. 4.2.2), but remains often implicit. The region is sometimes used as a “product”, sometimes as a collective good or even as a kind of brand name. Some of the initiatives also envisage a kind of ambiguous position: at the one side they rely on the “locality” as an argument, but at the other side they are confronted with wider markets, what is not only implying higher transaction costs, but also a kind of deracination of the initiative. How the two can be combined and how this deracination problem can be avoided when initiatives are surpassing the local level must be the subject of further research. Another important

aspect of the territorial logic is that initiatives often search to manage the interdependence between sectors as e.g. the agricultural and touristic sector. Although of growing importance and the subject of some public regulation and market initiatives, this interdependence is hardly taken into account by the traditional economy. The initiatives in the inventory seem therefore to search for a kind of third way of management based on negotiations between the different actors.

Finally a fourth logic seems to be the “struggle against marginalisation of resources”. Hereby we do not only mean natural but also human resources. The exclusion of human resources from the labor market is one of the most important problems in our “post-fordiste” society. Some of the initiatives try to respond to this. This is obvious for the social initiatives using the agricultural or para-agricultural labor as a way of social integration, but is also true for initiatives which try to create more added value of agricultural labor as a response to the further decline of the number of farms and capitalisation of modern agriculture. This struggle against marginalisation is certainly also present in some of the territorial approaches which try to combat the degradation (and in a certain sense social desertification) of rural zones.

## **6. CONCLUSION**

In section 2 a definition about what might be the role of the social economy in a “post-fordiste” society has been expressed by insisting on following aspects:

- ?? the uncertainty on the quality of products make it necessary to construct “systems” able to assure the quality and to coordinate demand and supply
- ?? the emergence of a social demand for collective goods (environmental) not provided by the market system
- ?? the marginalisation of labor, natural and local resources in the modern society

The initiatives are reacting on this and can therefore be regarded as social dynamics which are not as traditional social economic organisations only interested in the production relations or redistribution mechanisms, but which try to intervene in a more direct way in the redistribution and management of externalities. This hypothesis has certainly to be further verified but may already be explained by showing that the initiatives are involved in the management of externalities:

- product quality

The relation between producer and consumer is only problematic in the case of uncertainty. An increasing uncertainty or decreasing confidence in the products can only be re-established by the construction of institutionalised disposals guaranteeing the quality. This induces what in the economy on conventions is called “form investments” which however lead to externalities in the sense that those joining a particular form (e.g. label) receive a non-pecuniary advantage of not being obliged to demonstrate always their quality.

- the environment

This case is the most obvious. The relation between the agricultural sector and the environment is however complex as farming can produce both positive (countryside stewardship) as negative (pollution) externalities.

- marginalisation of regions and/or production systems

The developments (intensive production) in the agribusiness sector lead to the marginalisation of regions or certain production systems. Traditional solutions try to overcome this problem by



*An inventory of emerging innovation projects in Belgian agriculture*

cooperation between farmers to assure market integration or by using public redistribution systems (e.g. access to EU-funds). Some of the identified initiatives however try to do that by using the regional factor as an external comparative advantage. Also the cooperation between different sectors can create externalities. When the touristic sector is promoting a farming landscape, this can be used on its turn by farmers to promote a regional label.

Our hypothesis is that where the social economy always has tried to give an answer to the problem of distribution of the profits of economic activities by intervening in the production and commercialisation systems (traditional cooperatives) or in the redistribution systems (type social funds), contemporary forms of social economy are different in the sense that they try to modify the distribution of profits by actions on externalities (be it linked to market chains, the environment or the locality). These externalities can of course be regulated by classic mechanism which internalize them or by market mechanisms (subsidies and taxes) and public interventions (norms and standards). But these mechanisms are not necessary neutral with respect to the production systems or scale: certain technical norms can e.g. influence the production structure. Therefore one of the major hypothesis to be further analysed during our research is in how far these initiatives succeed in the regulation of the mentioned externalities on the basis of principles such as equality, democratic participation and forms of reciprocity (between consumers and producers or by negotiations at the local level).

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