

Elisabetta Basile and Claudio
Cecchi

Beyond the
Sectors:
An Analysis of
Economic
Differentiation in
Rural Economy

The Change of the Countryside

The aim of the paper is the analysis of change in the countryside during the growth process.

- Pre-industrial countryside is a locally integrated and isolated society and economy
- Agricultural areas in industrialised societies are specialised in food production
- Post-industrial rural areas represent territories, which are locally and globally integrated

The presentation is divided in three parts:

- 1. The changing countryside: ? agriculture and other activities in the countryside
- 2. The reasons for change: ? income differentials explain the resource transfer between sectors
- 3. The post-industrial countryside: ? functions played by resources explain the resource transfer between different types of territory

The conclusion shows the meaning of the term *rurality* in the post-Fordist society

1. The Changing Countryside

- Agriculture and the countryside
- Industry and agriculture
- The industrial dispersal

1.1. Agriculture and Countryside

- In pre-industrial societies agriculture is one amongst different activities in the countryside and provides food for rural and urban population
- During industrialisation agriculture provides food and resources for industrial growth, which concentrates in towns
- In post-industrial societies agriculture plays a new “environmental” role in a differentiated economy

1.2. Industry and Agriculture

- The natural economy: an integrated society and economy
- The industrial economy: sectoral and spatial specialisation
- The post-industrial economy: a differentiated countryside

1.3. The Industrial Dispersal

The post-Fordist transition requires flexibility and product differentiation

- Competition is based on differentiation
- Production costs are less important than “quality”
- Resources become de-specialised

2. Reasons for Change

- Change is mainly represented by the resource transfer between agriculture and industry and between countryside and town ? income differentials explain the resource transfer between sectors

2.1. The Distinctiveness of Agriculture

- Agriculture needs natural and “specific” resources ? returns on investments are uncertain
- Agriculture is managed under family organisation ? choices are constrained
- Agriculture produces food ? market is limited by the consumption pattern (Engel’s law)

2.2. Sectoral integration and resource specialisation

- In the natural economy resources have a multiple use and activities are locally integrated
- The growth of industry needs resources specialisation in order to gain economies of scale that generate costs reduction
- The “maturity” of industrial production generates a process of industrial dispersal in the countryside

2.3. The Decline of Agriculture

Because of the distinctiveness, incomes in agriculture are lower than industry

- a) resources leave agriculture
- b) some resources migrate towards other activities
- c) some resources remain under-utilised

3. The Role of the Agricultural Sector

- Change is mainly represented by the resource transfer between agriculture and industry and between countryside and town ? functions played by resources explain the transfer between different types of territory

3.1. Agriculture and food

- In the natural economy, agriculture produces food for the rural and the urban society
- In industrial economies, agriculture produces commodities for mass markets
- In the post-Fordist economy, agriculture produces quality and differentiated food for the new consumption pattern

3.2. Agriculture and Industry

- In the natural economy, agriculture is part of the rural economy, where handicraft and proto-industry coexist with farms and services
- In industrial societies, economies of scale requires sectoral specialisation, which implies spatial specialisation
- In the post-Fordist economy, the industrial dispersal requires the multiple use of resources in different activities

3.3. Countryside and Town

- In the natural economy, towns exist as market places and as cultural and political centres
- In industrial economies, while agriculture is the main rural activity, industry concentrates in towns and industrial areas
- In the post-Fordist economy, a decreasing number of metropolises become centres of the political and cultural production, while food, manufacturing goods and services are produced in dispersed territories

The Post-Fordist Countryside

The post-Fordist transition has re-constructed the countryside, because:

- it changes the relationship between agriculture and industry
- it modifies the relative income earned by resources in different activities and the hierarchy of resource values
- it changes the role played by the city and by the countryside in the development process

Agriculture and Industry

- are locally integrated in rural areas
- are integrated in the market, when production is carried out in specialised territories
- are negligible or ancillary activities in urban and metropolitan areas

Resources

- have a multiple use in rural areas, so that their use gives rise to economies of scope
- are specialised in some sectoral use only in territories specialised in agricultural or industrial production for mass-consumption or commodities markets
- have a multiple use in urban area, but high population density generates higher costs of use than in the countryside

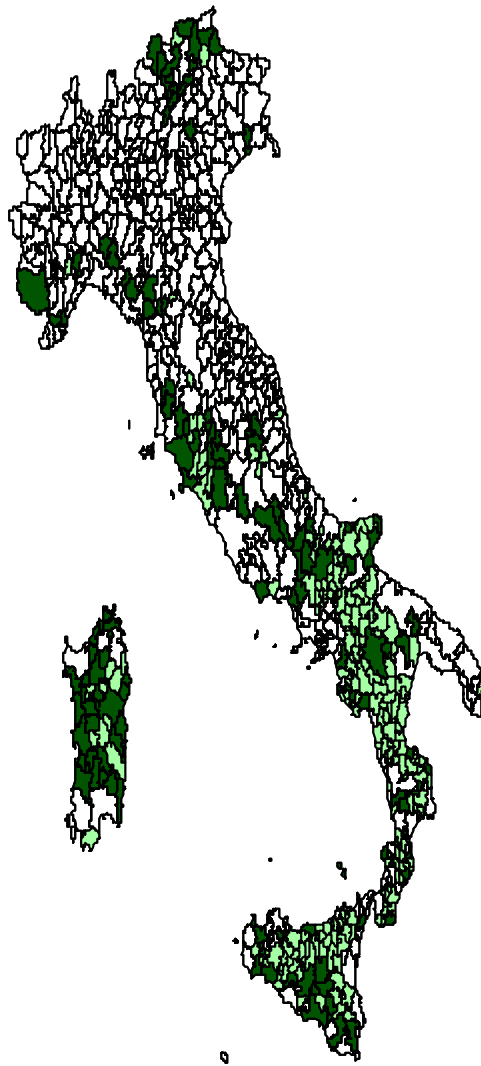
In the development process

- rural areas play an “environmental” role, because economies of scope require a sustainable resource use
- specialised areas play a productive role, because they produce differentiated goods at the lowest cost
- urban areas play a “co-ordination” role, because they represent the place where policy and culture is produced

Rurality is distinguished by

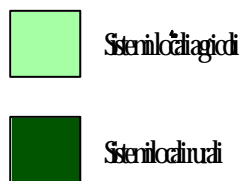
- sectoral and spatial integration
- economic differentiation
- low level of population density

Fig. 103. Mappe di sistemi locali di lavoro



Source:

E. Basile and C. Cecchi
(2001),
*La Trasformazione Post-
Industriale della
Campagna.
Dall'agricoltura ai
Sistemi Locali Rurali*,
Rosenberg & Sellier,
Torino



Fonte: *Indagini e dati Istat, I sistemi locali di lavoro, Roma, 1991*

References

- E. Basile and C. Cecchi (1994), Il dualismo funzionale nell'agricoltura, in *L'economia italiana dagli anni '70 agli anni '90. Pragmatismo, disciplina e saggezza convenzionale. L'economia italiana dagli anni '70 agli anni '90*, edited by F.R. Pizzuti, Mc Graw-Hill, Milano, pp. 327-347.
- E. Basile and C. Cecchi (1996), *Local/Global Integration and New Roles for Italian Agriculture in Structural Transformation*, Papers in Environmental Planning Research, n. 7, Department of City and Regional Planning - University of Wales.
- Cecchi C. (1997), Quale agricoltura nel 'rinascimento' della campagna?, *Il ponte*, Anno LIII, n. 3.
- E. Basile and C. Cecchi (1997), *Beyond the sectors - An analysis of economic differentiation in rural economy*, Working paper n. 29, Dipartimento di economia pubblica - Università di Roma "La Sapienza".
- E. Basile and C. Cecchi (1997), Differenziazione e integrazione nell'economia rurale, *Rivista di economia agraria*, LII, n. 1-2.
- E. Basile and C. Cecchi (1998), Sui diversi ruoli dell'agricoltura nell'economia italiana degli anni '80, in *L'economia mondiale in trasformazione*, edited by A. Graziani e A.M. Nassisi, manifestolibri, Roma.
- Cecchi C. (2001), Sistemi locali rurali e aree di specializzazione agricola, to be published in *Sviluppo rurale: Società, Territorio, Impresa*, edited by E. Basile e D. Romano, Franco Angeli, Milano.
- Cecchi C. (2001), *Rural Development and Local Systems. The Case of the "Maremma Rural District"*, PhD Thesis, Department of City and Regional Planning, University of Wales, College of Cardiff.
- Cecchi C. (2001), La rivalutazione locale della ruralità, in *Il caleidoscopio dello sviluppo locale. Trasformazioni economiche nell'Italia contemporanea*, edited by G. Becattini, M. Bellandi, G. Dei Ottati e F. Sforzi, Rosenberg & Sellier, Torino.
- E. Basile and C. Cecchi (2001), *La Trasformazione Post-Industriale della Campagna. Dall'agricoltura ai Sistemi Locali Rurali*, Rosenberg & Sellier, Torino.