

# CONTRIBUTING TO A VIBRANT COUNTRYSIDE: THE IMPACT OF SIDE ACTIVITIES ON RURAL DEVELOPMENT

MARIANNA MARKANTONI\*, SIERDJAN KOSTER\* and DIRK STRIJKER\*

\* Urban and Regional Studies Institute (URSI), Faculty of Spatial Sciences, University of Groningen, Landleven 1, 9747 AD Groningen, the Netherlands

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## ABSTRACT

**This article focuses on the side activities of non-farmers in rural areas in the Netherlands and more specifically on their perceived impact on rural development. To achieve this, we examined empirical evidence from 36 Dutch municipalities in three main fields: *economy, social capital* and *character of rural areas*. What we found was that although side activities do not have a great direct impact on the local economy and employment, their contribution in terms of local collaboration, networks and promoting rural tourism is highly valued. Furthermore, side activities are even more important when it comes to building social capital in rural communities and positively influencing the character of rural areas. From a policy perspective, although non-farmers' side activities and their impact on rural development have not yet been included in policy agendas, policymakers and local action groups need to become aware of their potential role in revitalizing rural areas and contributing to a vibrant countryside.**

**Keywords: side activities, non-farmers, rural development**

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## NON-FARMERS' SIDE ACTIVITIES

Across Western Europe, rural areas are undergoing great economic and social transformation (Dammers & Keiner 2006; EC 2007; O'Connor *et al.* 2006). Although agriculture is often still viewed as the mainstay of the rural economy, its role is gradually declining (Rigg 2006; Slee 2005; Strijker 2000). Increasing demand in society for recreation, tourism and residential housing in rural areas has transformed them into places of consumption rather than simply areas of production, both agricultural and otherwise (Woods 2005). In addition, Marsden (1999) implore us to acknowledge that the redefinition of agriculture has changed the countryside into a more diverse rural space, creating room for non-agricultural consumption functions. These new functions are associated with an increasing interest in non-farming uses of rural areas (Brouwer & Van der Heide 2009; Marsden & Murdoch 1999) such as campsites, care farms, nature development, recreational sites in rural areas, and bed and breakfasts or businesses based in old farmhouses. Such businesses in rural areas can take the form of either main or side activities.

Main activities (main occupation) provide a primary income and are mainly full-time businesses, whilst side activities, as we define them, are small-scale home-based activities that provide a supplementary household income. Side activities do not constitute a full-time job<sup>1</sup> and no employees are involved besides the owner. Furthermore, they are usually combined with full-time or part-time paid employment and can be initiated either by farmers or by non-farmer entrepreneurs.

Although diversifying income opportunities of farmers and their impact on rural development has been examined in much detail (see Barbieri & Manoney 2009; O'Connor *et al.* 2006; Van der Ploeg & Roep 2003; Van Huylenbroeck *et al.* 2004), *side activities undertaken by non-farmer entrepreneurs* have largely been overlooked in research on rural development. Furthermore, although recent rural policies recognize the multifunctional character of the countryside (OECD 2006), they traditionally focus on farmers. The notion of a *Living Countryside* (see EC 1996) is expressed mainly in viable farm households where agriculture and the secondary activities of farmers contribute to the development of rural areas (Kinsella *et al.* 2000; O'Connor *et al.* 2006). In response to the above, it could be argued that non-farmers' side activities also play a role in stimulating new economic and employment opportunities and that they diversify the economic base of rural areas to some extent to include activities not directly connected to agriculture.

This article focuses on the side activities of *non-farmers* in rural areas and their impact on different aspects of rural development. This article is the first to conceptualize and present empirical evidence on the impact of side activities undertaken by non-farmers. The impact to be analyzed includes material aspects such as creating extra income as well as non-material quality aspects such as the formation of social capital, the impact on the landscape and the character of rural areas.

## **IDENTIFICATION OF THE IMPACT OF SIDE ACTIVITIES ON RURAL DEVELOPMENT**

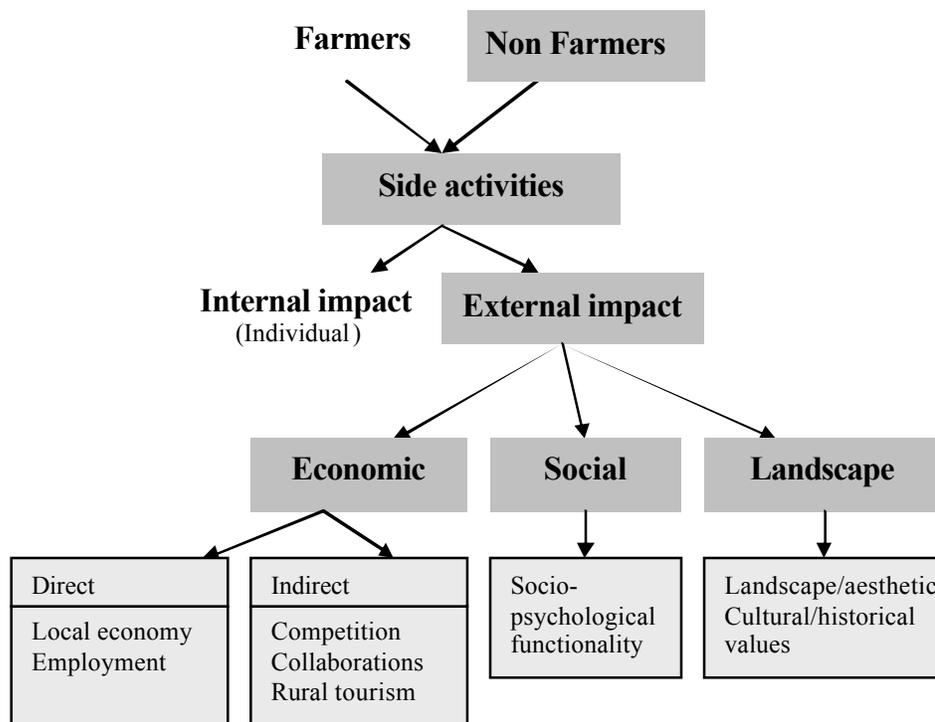
There is no single way to identify rural development (Knickel & Renting 2000; Terluin 2003). According to Van der Ploeg and Roep (2003), rural development can be understood as a multi-level, multi-actor and multi-faceted process. Echoing Van der Ploeg *et al.* (2000), they claim that rural development consists of a wide variety of new multidimensional activities such as agro-tourism and recreation, landscape management and region-specific products.<sup>2</sup>

In order to capture the different dimensions of rural development, many researchers introduce various distinctions. For example, Knickel and Renting (2000) differentiate between *material* (economy and employment) and *non-material* aspects (social capital, culture, environment and landscape). A similar distinction is also made by Durand and Van Huylenbroeck (2003), who refer to *commodity* aspects including goods and services and *non-commodity* aspects such as rural way of living, rural landscape and health. Furthermore, Gralton and Vanclay (2009), examining the contribution of artisanal food production, make a distinction between *tangible* aspects which are definable and

measurable and *intangible* aspects such as social interaction with customers, consumer trust and knowledge of the product.

These different dimensions of rural development are tied to the local context, actors involved and type of activity, and they also reflect the idiosyncrasies of particular studies, which makes it difficult to capture them and translate them to the case of non-farmers' side activities. In order to capture the *complexity* of rural development and relate it directly to the case of non-farmers' side activities, we will introduce a conceptual model (see Fig. 1) to this study.

In our model, we first divide the impact of non-farmers' side activities into the *internal impact*, i.e. the impact side activities have at the individual level, and the *external impact*, i.e. the impact side activities have on the rural community and as a result on rural development. Since the internal impact of side activities has been previously examined (see Markantoni *et al.* 2010a and Markantoni & Van Hoven 2010), this article will focus on the external impact of non-farmers' side activities on rural development.



**Fig. 1. Conceptual model.** The external impact of side activities on three main aspects of rural development (the grey boxes indicate the focus of the article)

In previous (see Markantoni *et al.* 2010a) and current fieldwork aimed at identifying the external impact of side activities, three main impacts on rural development emerged: 1) *economic* (direct and indirect), 2) *social* and 3) *landscape/character of rural areas*. We think that this model better reflects the complexity of the external impact of side activities

than do previous classifications. There are two main reasons for this. The first reason is that we are referring to a particular type of activity that has not been evaluated before, and the second reason is that the three main external impacts emerged directly from the fieldwork (grounded in the results). This list of impacts is in no way exhaustive, but in the context of this study these appeared to influence the development of rural areas most. We will consequently focus upon these impacts.

## **THEORETICAL BACKGROUND**

The first external impact of side activities on rural development that we will examine is the economic impact. In the literature on small businesses it is consistently argued that rural economic growth is a key issue in rural development (Anderson *et al.* 2009; Atterton & Affleck 2010). As by definition side activities provide a supplementary income, their economic impact may not only positively influence the household income but positively influence the local economy as well (direct impact). Another aspect of the economy is employment generation. In general, rural businesses contribute to the regional economy by providing employment (Raley & Moxey 2000). Recent empirical evidence from the north-east of England has shown that the majority of rural micro-businesses (92.3%) attract local employees (see Atterton & Affleck 2010). We could thus expect that the creation of new businesses, including side activities, in rural areas will improve local employment levels.

In addition to the direct impact on economic progress, there are also indirect impacts. For example, competition between local businesses improves performance, productivity and hence local economic growth (Nickell *et al.* 1997; Porter 2000). In that sense, we could argue that side activities competing with other local businesses may also positively influence rural economic development. Furthermore, local collaboration between small businesses can also increase economic growth. As Brunori and Rossi (2000) argue, the geographical proximity of businesses may encourage collective action, which can enable small entrepreneurs to mobilize social and local resources and improve their economic performance. We could expect that if side activities collaborated with other local businesses, this would strengthen local networks and possibly contribute to effective and economic competition. The latter could also be reinforced by tourism. In general, tourism in rural areas has been viewed as a rural development strategy for economic and social rural regeneration (Briedenhann & Wickens 2004; Derek & Kirkpatrick 2005). The impact of tourism is connected to the local economy, as tourists and customers spend time and money when visiting rural businesses, tourist activities and rural accommodation. As such, tourism is part of the shift in the economic base of rural areas (Hall *et al.* 2003). This is relevant to this study, as some side activities are in the fields of tourism and recreation,<sup>3</sup> which implies that they could play a part in the diversification of the rural economy.

The second external impact of side activities on rural development is their role in strengthening social capital in rural areas. This could be, for example, an increase in social networks, participation in community activities and the sense of being part of a community (Graltion & Vanclay 2009; Marsden 2009; Ray 2006). Vanclay (2011, p. 66)

argues that these aspects can increase social well-being and quality of life in rural areas. Previous research on motivations for starting a side activity has shown that individuals are mainly motivated by reasons such as pleasure, personal growth and social contacts (see Markantoni *et al.* 2010a and Markantoni & Van Hoven 2010). This implies that the current functions of side activities are to be found at the individual and societal levels where they provide opportunities for personal growth and enhance quality of life and social well-being in rural communities. In this respect, we can imagine side activities being highly valued for their role in social rural revitalization.

The third impact refers to the role of side activities in altering or preserving the landscape and character of rural areas. A crucial problem many rural areas in Europe face is the deterioration of the landscape and aesthetic, cultural and natural values. Elands and Wiersum (2001) argue that rural development should aim to counter this. The literature often empirically examines whether the pluriactivity of farmers contributes positively or negatively to the preservation of the landscape and nature. Several examples of pluriactive farms suggested a positive relationship between part-time farming and the quality of landscape (Kristensen 1999; Marsden 1995). In contrast, a Danish study (see Primdahl 1999) showed that farms can also contribute to rapid, 'undesirable' changes in the landscape (e.g. extensive planting of hedgerows in open landscape). Alongside the impact of farmers, the impact of small tourism businesses owned by non-farmers on the landscape in rural areas has also been examined. It has been argued that the emergence of new entrepreneurial endeavours may change the shape of the rural landscape and 'rural morphology' contributing to diverse environmental and cultural landscapes (Hall & Kearsley 2002; Keen 2004; Steenbekkers *et al.* 2008).

The preservation of former agricultural buildings that are then reused for new economic activities by non-agricultural entrepreneurs also contributes to the character of rural areas (see Daalhuizen *et al.* 2003). The emergence of these activities has positive effects such as the diversification of the rural economy, the creation of employment, the contribution to the viability of rural areas and the preservation of cultural and historical values (Daalhuizen *et al.* 2003). Some side activities are undertaken from former agricultural buildings. In that sense, they may prevent farmhouses from becoming empty by reusing them and giving them a new function. We could therefore expect side activities to play a part in preserving cultural and historical values or even preserving protected villages.

In order to evaluate the role and impact of side activities on rural development, we gathered information from what we consider the most important actors. We decided upon the following, *the side activities' owners themselves, local residents, local small businesses* in the region and *local authorities*. These were chosen because they are directly involved (owners) or cooperate (local businesses) with the side activities, are influenced by them (local businesses), make use of them (local residents) or even make the regulations for them (local authorities). Furthermore, the relationships between local government and side activities and the impact of local government regulations (concerning side activities) are also important for the development of rural communities.

These actors represent not only the direct but also the indirect environment of side activities and can therefore provide us with a complementary evaluation of their perceived impact on rural development.

## **DATA AND METHODOLOGY**

This article is based on a dataset gathered in rural areas in the Netherlands in 2009-2010 (see Markantoni *et al.* 2010a). For this article, the four aforementioned actors were asked about the potential impact of side activities on the three main aspects, economic, social and landscape/character of rural areas. As the data were collected in different projects and at different times, not all of the actors were asked about all of the aspects of rural development, as it was not always applicable. Some attention should also be paid to the interpretation of the results, as they are based on opinions about the type and size of the effects rather than on facts or statistical data. The data collection per actor is described below and results in a collective set (see Table 1 for the collective dataset). The synthesis of the different actors and sources of information (see below) provides us with an overview of the perceived impact of side activities.

### *Side activity owners*

A larger project conducted in 2009 examined the major characteristics of side activities in 36 municipalities in the Netherlands. To begin with, a scoping study was performed by means of a survey in order to gain a preliminary understanding of these types of activity, as no data from other sources were initially available. During the fieldwork 506 side activities were identified. From these, 260 complete surveys were collected, resulting in a response rate of 51 percent. Together with a number of questions (e.g. motives, future plans, location choice, background), the side activity owners were also asked their opinion on the socioeconomic impact of their activities on the development of rural areas.

The second phase of the research in 2010 involved qualitative research and carrying out in-depth interviews with 17 respondents who own and run a side activity in a particular socioeconomic and spatial context in the north-east of the Netherlands, the *Veenkoloniën*. The reason for this was to gain a deeper understanding of side activities in a specific context. During the interviews, the respondents were asked a number of questions and were also asked to elaborate on the perceived impact of their activity on the development of the region. Each interview lasted approximately one-and-half hours and was recorded, transcribed and coded. More details on this part of the data collection can be found in Markantoni and Van Hoven (2010).

### *Local residents and local businesses*

Along with the main and second phase of the research, additional research was undertaken in two municipalities in the north-east of the Netherlands to evaluate the impact of side activities on the development of the region. This included local businesses and people living near a side activity. These specific municipalities were chosen for the relatively high number of side activities reported there (in comparison with other municipalities from the larger project – see above). Sixteen side activities were found in these municipalities, of which eight were in tourism (4 museums, 3 bed & breakfasts, 1

mini campsite), five in services (dog grooming, blacksmith, garden decor shop, vocational training school, weather forecasting station) and four were selling home produce (honey, flowers, vegetables and fruit).

Nearby businesses that sold products and services similar to those offered by the side activity were asked to participate in the research. The owners of these businesses were asked in face-to-face semi-structured interviews about competition with the side activities, their impact on promoting local products and cooperation with other businesses. From 28 business owners visited, 23 participated (8 supermarkets, 3 florists, 1 museum, 2 greengrocers, 3 campsites, 2 dog grooming businesses, 4 hotels), and 5 refused, stating that they did not have time for the interview or did not wish to participate.

### *Municipalities*

Two methods were applied to collect data from the local authorities. In the first phase, in-depth interviews were conducted with policy officers in seven municipalities in the north of the Netherlands<sup>4</sup> in order to gain a first impression of the opinion of local authorities on side activities. The interviews lasted approximately one hour and were recorded and analyzed. The themes of the interviews were the socioeconomic effect of side activities, the role of tourism and recreation, landscape and aesthetic impact, and the distinction between farmers and non-farmers in rural policies.

In the second phase, a survey was sent out to the municipal council of the other 29 Dutch municipalities in the larger project mentioned earlier asking them about the socioeconomic impact of side activities in their region, whether side activities are included in rural policies and whether distinctions are made in their policies between farmers and non-farmers. The survey was sent by e-mail and the response rate was 59 percent.

**Table 1.** Collective data from different actors

<b>Side activity owners</b>			<b>Municipalities</b>		
Respondents	Type	Municipalities	Respondents	Type	Municipalities
260	Survey	36	18	Survey	18
17	In-depth interviews	9	7	In-depth interviews	7
<b>Similar local businesses in the area</b>			<b>Local residents</b>		
Respondents	Type	Municipalities	Respondents	Type	Municipalities
23	semi-structured	2	84	Survey	2

## RESULTS

### DIRECT ECONOMIC IMPACT

In this article the impact of side activities on the local economy is divided into direct and indirect impacts. The former refers to the actual income earned from side activities and the direct impact on employment creation, while the latter refers to indirect impacts on the local economy (these are discussed later).

#### *Income and employment generation from side activities*

Based on the conceptual model, the first impact of side activities on rural development refers to the direct economic impact on the household and by extension the local economy. To gain an indication of their economic magnitude, we asked the owners to specify the annual (net) income earned from practicing their activities (see Table 2). The majority (92.8%) earn less than EUR 15,000 per year, indicating the economic importance of side activities, at least for some households. At the household level side activities contribute to on average 15 percent of the total annual net income of the households (own database, 36 municipalities). In comparison, at the level of the local economy, the contribution of side activities (estimated at EUR 1,075,000) to the total annual household income in the 36 municipalities (EUR 12 billion; CBS 2007) is 0.009 percent, which is rather small.

**Table 2.** Annual net income from side activities, n=260 (euros)\*

Categories	Respondents (n)	%
<1,000	45	32.3
1,000-5,000	38	27.4
5,000-15,000	46	33.1
>15,000	10	7.2

\* n=139, 53% of the respondents completed the income-related question

In terms of employment generation, the majority of side activity owners are sole traders. They run their activity alone with the help of their spouse (56%), children (12%), friends and volunteers (9%), while just two percent hires seasonal personnel. Additionally, if we take a closer look at the growth expectations for the next two years, we observe that ten percent expect to grow their side activity in terms of hiring employees (Markantoni *et al.* 2010b). This implies that in terms of employment creation, side activities will not influence local employment rates to a great extent and as a result will not have a great impact on the local economy.

If we consider the above we can conceivably conclude that side activities do not greatly influence the local economy either as a source of income or in terms of employment generation in recent years. They contribute more at the household level than at the broader level of the local economy.

## INDIRECT ECONOMIC IMPACT

As mentioned earlier, by the indirect economic impact of side activities on rural development we are referring to competition with similar local businesses, local collaboration and the role in rural tourism (see Fig. 1). These are discussed in more detail below.

### *Competition*

In order to examine whether competition between side activities and similar businesses contributes to rural development, we asked local businesses which sell similar products and services to those provided by the side activities if they perceive them as competitors.

In the first place, we found that there is perceived 'unfair' competition with side activities. Some local businesses argue that side activities are not registered properly, do not possess the necessary permits and do not meet the legal requirements (e.g. hygiene, fire extinguishing systems), which enables them to offer lower prices. Interestingly, the smaller the range of products/services provided by a shop/business, the more competition the side activity is considered to represent. For example, the owner of a flower shop (narrow range of products) perceives the nearby side activity that also sells flowers as a competitor.

*It is always competitive. If people buy flowers from such activities, they will not buy them from me. It is then always to my detriment.*

This 'unfair' situation could also be connected to the negative impact of competition, which is the probability of bankruptcy (forcing prices downwards) and means that business owners have to work harder to avoid this outcome (see Schmidt 1997). In that sense, side activities may not positively affect rural economic growth.

In contrast, some other local businesses believe that side activities attract a different clientele and are good initiatives. They furthermore think that they could strengthen each other's economic performance by providing economic diversity. Others set the precondition that they should remain small-scale, because otherwise they would become 'serious' competitors. A small-business owner illustrates this.

*As long as they are small-scale, I do not think they are a competition. I think that they have about 10 to 20 clients per day. This is a specific type of client. I do not think that they can find what they want at my shop, and that is why they go to such a small activity.*

From the point of view of the municipalities, the vast majority (94.4%) do not perceive side activities as unfair competitors to other established businesses in the region. Some argue that their specific policies help prevent unfair competition, whilst others mention that side activities are aiming for a different type of client. However, a small group (8.3%) recognizes that the costs for these activities are lower than for other businesses and they do consider them unfair competition.

From the above we can see that side activities are not considered ‘real’ competitors because they are small-scale and their clientele is specific and limited. Nevertheless, side activities are perceived and recognized as economic actors in their locality, and this means that although they are small they can contribute to some extent to local economic diversity.

#### *Local collaboration*

Besides representing competition, side activities can also collaborate locally with regular businesses, which can improve both parties’ economic performance. In the case of side activities, many collaborate with other local shops and enterprises by utilizing services or facilities. Side activities can be of economic advantage to other local businesses and they can be of mutual benefit to each other. This quote from the owner of a side activity (group accommodation) illustrates this.

*Small businesses round here – a grocer’s shop, a carpenter, a bike shop, these kinds of things – benefit from us in particular. The tourist office in the village is happy with our group accommodation here.*

In relation to the above, some local businesses recognize that they could indeed benefit from side activities. Hotels, campsites, supermarkets and flower shops all share the opinion that collaborating with side activities could strengthen their economic performance. According to the respondents, the fact that some side activities organize, for example, workshops, specific courses or tourist routes (bike, horse, Christmas routes<sup>5</sup>) increases demand for certain specific goods. This suggests that other enterprises may benefit directly or indirectly from some side activities. These effects are referred to in the literature as multiplier effects<sup>6</sup> (see Knickel & Renting 2000).

We could therefore expect that if various local businesses – including side activities – work together, they will be able to attract more visitors and as a result strengthen each other’s economic performance (positive external effects). In that sense, side activities are perceived as active agents in their local communities, and their current collaboration shows that they are being taken ‘seriously’ by other regular local businesses. This is important for strengthening rural economic development.

#### *Rural tourism*

As mentioned earlier, tourism seems to foster local collaboration and in this sense can be viewed as a rural development strategy for the economic revitalization of many rural areas. If we look at the role of side activities in tourism, two-thirds of the side activity owners stated that their side activity enriches tourism. Furthermore, because they are very small-scale and provide particular tourist activities (e.g. a planetarium, donkey hire, a blacksmith museum), they seem to attract a specific type of client. As an illustration, a respondent who owns a holiday home decorated in an old-fashioned style said:

*We make a particular contribution to tourism and have a specific clientele. Our guests do not go to a large campsite; they come here specifically for us.*

Local residents also believe that side activities influence tourism positively (57%). Side activities are not just perceived as a way to attract visitors to the village, but the owners also have a more personal relationship with their clients. For example, one respondent

spoke about a bed and breakfast as small-scale, more personal and nicer than a big hotel. Another respondent recognized that the blacksmith museum in his village attracts tourists to the village and is good publicity for it. This also illustrates his pride in the village having such an activity and that it has become part of the village's identity.

*I notice that people know it. At my work they say, 'Oh! You're from Noordbroek? There's a blacksmith museum there, isn't there?'*

In contrast, a smaller group of local residents are neutral about the touristic impact of side activities. They argue that they do not actually attract tourists but that tourists do like to buy a jar of jam or honey, rent a canoe or visit a small museum. Some are also of the opinion that as they are very small activities their impact on tourism is also rather small.

Fifty percent of the municipalities also shared the opinion that side activities have a low impact on tourism mentioning their limited influence on tourism. However, they also recognized that side activities add a 'certain something' to tourism, as tourists like to buy, for example, an ice-cream when they are out and about. This slightly positive image is enhanced by the remaining 50 percent of the municipalities who recognize that side activities in general can broaden the tourist and the recreational sector and are thus perceived as an attraction point for their rural areas.

In general, side activities are important for the tourist sector and complement it, albeit on a small scale. Furthermore, their perceived positive impact can be seen to reinforce the strategy for the touristic development of rural areas and thus contribute to the development of rural communities.

## **SOCIAL IMPACT**

The second impact of side activities on rural development relates to the emerging social benefits not only for the people who own these activities but also on a wider scale for the village, visitors and guests.

### *Socio-psychological functionality of side activities*

Side activities, such as a mini campsite, a holiday home, pick-your-own fruit, a glass studio or a tea garden, can function as a place where people can spend time, make something creative, spend their holiday or relax in peaceful surroundings. This is a place where they can socialize and enter into a more personal relationship with the owner. As the respondents mentioned, side activities, because of their rural location (e.g. quiet, remote, close to nature) and their small size, attract visitors and customers who are searching for a place to rest, relax and escape their daily lives. The owner of a glass studio illustrates this.

*You relax here...I have clients who have a very busy and stressful job...then I notice that they cheer up completely here and forget their daily worries.*

Other respondents mentioned that people visit them to fulfil their social needs. A respondent who has a dog-grooming salon even described herself as a 'listening ear' illustrating the social role of her side activity. What we often came across during the

interviews is how the owners talk about the personal attention they pay to their customers and guests. Many mentioned that they focus on being friendly and building a personal relationship with the customers: *we do it differently from others*, said one respondent when he talked about a bigger holiday park in the region. Another respondent mentioned that what people like most is their openness and the easy-going atmosphere they create on their small campsite. This high level of personal interaction between hosts and guests in particular is found more often in small accommodation enterprises and ‘home from home’ accommodation (see, for example, Lynch & Tucker 2004).

As regards the social functionality of side activities, the municipalities expressed that they have a significant role in the social vitality of the rural areas (44.5%). Some also mentioned that side activities contribute to the social capital of the village, are a ‘meeting point’ or even lead to better social cohesion in their rural communities.

Therefore, the importance of side activities is not only reflected in the material and economic sphere but more importantly in the socio-psychological well-being of the people who visit them. It seems that side activities function as a place to relax, cheer up and socialize. We could argue consequently that they are important in building social capital and activating social vitality in rural communities even if the activities are very small-scale. Their smallness is an advantage rather a disadvantage.

## **LANDSCAPE AND CHARACTER OF RURAL AREAS**

Following the conceptual model, the third impact of side activities on rural development relates to their role in altering or preserving the landscape and the character of rural areas. In the Netherlands it is expected that agricultural land use will decrease by four percent by 2035 as agricultural land is converted into natural and recreational areas or used to provide new land for housing and recreation (Steenbekkers *et al.* 2008). Rural revitalization will consequently entail the preservation of the region’s rural identity and its social and ‘morphological sense’ (Steenbekkers *et al.* 2008). In terms of the emergence of rural side activities, this implies that they should not alter the ‘rural morphology’.

### *Landscape and aesthetic impact*

The side activity owners, especially the ones whose activities require space – part of the garden or backyard (e.g. tea garden, mini campsite) – spoke about the positive influence of their activities on the rural landscape. This is expressed, for example, by a respondent who owns a tea garden,

*It is adding value to the landscape. When we first came here there was just arable land on both sides. I planted lots of trees...because it was an ‘open’ agricultural area here.*

The municipalities express more concern about the impact of side activities on the landscape and their aesthetic effect on the environment. Some set preconditions stating, for example, that side activities should not ‘rubbish’ the countryside, put up big road signs of disturb the peace and charm of the countryside, and that they should fit in with

the surroundings, stay small-scale and continually be controlled. However, some municipalities (38.9%) are more positive about the impact of side activities on the landscape. This latter group is of the opinion that side activities positively influence the attractiveness of the region and fit in well with the environment (72.2%).

An important question then arises about how rural areas can be revitalized in order to provide economically and socially viable living environments whilst keeping their visual qualities intact. It is likely that at least some side activities will either be relatively unobtrusive or will enhance rural qualities by altering the landscape positively or by preserving cultural and historical values, for example. The latter is discussed below.

### *Cultural and historical values*

Among the different types of side activities is a subgroup which reuses former farmhouses or agricultural buildings. The owners of these activities mentioned that by practising a side activity from such a location, they are of cultural and historical significance to their village. They argued that this is because they bring life and preserve empty farms and that the other houses in the area consequently become more valuable.

The municipalities were also positive about the impact side activities have by preserving empty former farm buildings (83.3%). They believe side activities can protect the cultural values and authenticity of the farm, give the farm a new function and even prevent farms and other properties becoming vacant. The reuse of former farms for side activities can thus be of great importance when it comes to enhancing rural qualities. As such, they are not intrusive but rather can help preserve the character of rural areas. In order to capture the concerns and the role of the municipalities in more detail, below we examine briefly the rural policies relating to non-farmers' side activities.

## **MUNICIPAL POLICIES**

Because the impact of side activities has broader policy implications, we will take a closer look at the current policies of the municipalities. In order to gain an overview of how side activities are included in current municipal rural policies, we asked policy officers to identify this. The results appear to be quite diverse. Of all the municipalities, 58% have a specific policy concerning side activities. These are policies concerning the land-use plan or specific conditions and rules for small-scale activities related to tourism and recreation (including campsites) or catering and hospitality services. Some municipalities that do not yet have any clear policies directed at non-farmers' side activities stated that they will be included in future rural policies. Finally, a number of municipalities do not expect to include side activities in their policies, mainly because they perceive them to be very small, hobby activities and do not expect them to influence the rural development of their region to any great extent. The above shows that each municipality has its own considerations about side activities, and that these are probably related to the regional context and the political culture.

In addition, we asked whether the municipal policy schemes stimulate *non-farmers' side activities*. It seems that 50 percent of the municipalities do not 'directly' restrict the start-

up of a side activity, 39 percent are neutral and 5.6 percent are restrictive. If we compare the side activities of farmers with those of non-farmers, we observe that the large majority of the municipalities make a clear distinction. They stimulate more farmers (81%) to start up a side activity on the farm than non-farmer rural residents (45%).<sup>7</sup> This shows that farmers tend to be considered the main rural economic agents and are encouraged to start up an extra activity besides their farm, whereas non-farmers, especially the ones who do not live on a former farm, do not receive as much encouragement to initiate a side activity. Policymakers and local action groups need to become aware of the potential contribution the non-farmers' group can make to rural revitalization. However, it is debatable whether side activities should be included in land-use schemes and whether they meet specific regulations. The main arguments against this are that they are very small, are home-based, do not have a big economic impact or damage the environment and, furthermore, their growth potential is also perceived to be rather small (Markantoni *et al.* 2010b).

## DISCUSSION

If we consider the municipal policies above and analyze what the four main actors perceive to be the impact of non-farmers' side activities, we gain a more global picture of their impact on rural development. This is summarized in Table 4.

The economic impact of side activities on rural development is very small. It is mainly in terms of local collaboration (indirect economic impact) that side activities have a somewhat positive impact because they enhance and diversify the rural economy. This is not surprising if we acknowledge that many side activities cooperate with other small businesses in the region and in that sense are taken 'seriously' as actors that contribute to local economic diversity. Furthermore, although the impact of side activities on the rural economy is small, they may promote tourism and play a supplementary role to other touristic activities in the region despite their small size.

**Table 4.** Perceived impact of side activities on three main rural development aspects (summary table)

	Side activity owners	Local residents	Local Shops/businesses	Municipalities
<b>Economic</b>				
Direct Economic	0/+			
Competition			+/-	-
Local collaboration	+	+	+	
Rural tourism	+	+/-	+/-	+/-
<b>Social</b>				
Socio-psychological functionality	+			+
<b>Landscape and character of rural areas</b>				
Landscape/Aesthetic impact	+	+		+/-
Cultural/Historical values	+	+		+

The importance of side activities is reflected not so much in economic terms (directly and indirectly) but more importantly in their role of strengthening and promoting social vitality in rural areas even if they are very small activities. In that sense, the side activity entrepreneurs can act as local leaders who play an important role in building social capital in their rural communities. Precisely their *smallness* is the strong point that enables them to enjoy a closer and more personal relationship with their customers and visitors than other businesses in their region.

Side activities in general do not damage the landscape and the environment but are perceived to influence the character of rural areas positively; this applies especially to the activities that reuse former farmhouses. However, the municipalities express more concern about the landscape and the aesthetic impact of such activities, as their ‘duty’ to preserve the region’s rural identity and its ‘morphological sense’ comes to the fore. However, side activities, because they are very small, home-based and their owners do not possess big pieces of land or big barns – as farmers do – do not damage the local environment unless they outgrow the confines of the house, but this has not yet been the case. Therefore, local authorities should not have concerns about a negative impact on the landscape or draw up regulations to prevent their start-up.

## **CONCLUSIONS AND RECOMMENDATIONS**

This article has cast light on the perceived impact of the side activities of non-farmers in three main aspects of rural development: economic aspects, social aspects and the landscape/character of rural areas. The results indicate that side activities do not just play an indirect part in the economic vitality and diversity of rural areas, but that more importantly they enhance the social capital of rural communities. Furthermore, concerning their impact on the landscape, side activities are not perceived to damage rural qualities or alter the ‘rural morphology’. They are seen as adding value to the character of rural areas especially by preserving cultural and historical values.

A number of policy implications stem from this study. First, if we acknowledge the interest of the local authorities in the impact of side activities on rural development, we would argue that these authorities should not be too concerned about side activities damaging or threatening the landscape and the region’s rural identity. Instead, they should appreciate the role of side activities in building social capital and adding value to rural tourism and the diversity of the local economy. Nevertheless, it is important to mention that rural policies are tied up with the specific local, regional context and cultures of the municipalities, which were not taken into account in this study, as we wanted to gain a collective overview of side activities in the Netherlands. The latter merits further examination.

There are several implications for further research. First, this study has highlighted the perceived impact of side activities on rural development. A more specific regional/contextual approach would be the logical continuation to this research and would therefore provide a significant benefit. This article is one step in this direction. A collective evaluation has enabled us to demonstrate not only the indirect economic

importance of side activities as they cause the local economy to diversify but more importantly their role in building and strengthening social capital. This illustrates the potential role of side activities in diversifying rural economies and contributing to a vibrant countryside.

## Notes

1. This could imply either seasonal activities or activities only conducted for a few hours a day or week.
2. Besides factors directly related to farming, part of rural development is also the birth of small firms or their relocation from urban to rural locations (i.e. ruralization), as they contribute to rural employment and economy (North 1998).
3. Based on a previous study of side activities in the Netherlands, these can be placed into four main categories: 1) tourism and recreation (e.g. campsites, tea gardens, holiday homes and excursions), 2) services and facilities provision (e.g. pedicurists, hairdressers, massage salons, Pilates, yoga studios, dog grooming and childcare), 3) sale of home produce (e.g. eggs, jam, cheese, honey, plants and flowers) and 4) arts and crafts (e.g. galleries, studios, potteries and souvenir shops).
4. These municipalities are Aa en Hunze, Bellingwedde, Borger-Odoorn, Dongeradeel, Heerenveen, Menterwolde and Meppel.
5. A notable example is the Christmas route in the village of Kiel-Windeweer in the north-east of the Netherlands (Kerstroute (Christmas route) Kiel-Windeweer). Once a year, in order to promote their businesses, a group of ten small entrepreneurs (side activities, farmers and other local businesses) organize extra activities related to Christmas including live music, traditional soup and beverages, which attract many visitors to the village (see Markantoni et al. 2011).
6. Multiplier effect refers to effects that are indirect either in spatial terms or in terms of the actors and activities involved. They are related to sections of the rural economy and by definition are positive (i.e. additional benefits, income or employment) (Knickel & Renting 2000).
7. However, there are municipalities (63%) that stimulate the initiation of side activities by non-farmers who live in former farmhouses.

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