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Moving beyond entrepreneurial skills: Key factors driving entrepreneurial learning in multifunctional agriculture



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ABSTRACT

It is widely acknowledged that, next to sound craftsmanship and management, farmers increasingly need entrepreneurship if they are to survive in modern agriculture. This is reflected by an increasing number of studies focusing on entrepreneurship in agriculture. While much work in this comprehensive body of literature focuses on entrepreneurial skills, relatively little attention has been paid to the learning process leading to the development of these skills. This paper therefore explores that learning process and focuses on the context of multifunctional agriculture. Our investigation was guided by the recently developed concept of entrepreneurial learning and particularly focussed on finding out which factors underlie the entrepreneurial learning process in this specific context. Empirical work done in six different multifunctional farms in the Netherlands revealed three major factors driving entrepreneurial learning: 1) re-developing an entrepreneurial identity, 2) crossing the boundaries of agriculture and 3) opening up the family farm. Crucial to understanding these factors is the challenging process of transition from production-oriented to multifunctional farming. A perceived productivist norm, created by decades of post-war agricultural modernisation, was found to make entrepreneurial learning in this context far from self-evident. This paper contributes by bringing the entrepreneurial learning process to light and demonstrating its complexity in a specific context. Based on our findings, we argue that the debate on entrepreneurship in agriculture needs to move beyond its current focus on entrepreneurial skills. The concept of entrepreneurial learning provides a useful framework in this respect. Further to its theoretical relevance, this paper ultimately supports practitioners in finding inroads into fostering entrepreneurship in multifunctional agriculture.

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1. Introduction

After World War II, European agriculture was intensively modernised. The modernisation aimed to increase production volumes for food security by specialisation, intensification, scale enlargement and, in some sectors, a strong trend towards industrialisation (Ploeg and Roep, 2003). The modernisation process was very successful in achieving its initial aim of providing food security, but led to serious environmental degradation and social concerns about food safety and animal welfare (Ploeg et al., 2002). Further to the adverse environmental and social impacts of modernisation, farmers were confronted with an economic crisis. New EU regulations designed to stimulate more sustainable agriculture and the increasing use of expensive external inputs increased farming costs, whilst ongoing globalisation has led to decreased returns on agricultural products; this process is commonly known as 'the squeeze on agriculture' (Ploeg and Roep, 2003).

The environmental, social and economic crisis is urging farmers to look for new strategies and sources of income. One of the strategies still followed by many farmers is to develop new incomegenerating (non-farming) business activities on their existing farms. Farmers engaging in this process have increasingly been recognised as becoming more entrepreneurial (Alsos et al., 2011; Carter, 1998; Grande, 2011; Haugen and Vik, 2008; Jervell, 2011; McElwee, 2006, 2008; Morgan et al., 2010; Vesala and Vesala, 2010). However, it is important to stress that non-agricultural business start-ups represent only one among various strategies available to farmers to become more entrepreneurial. It has been argued that conventional production-oriented farming also provides entrepreneurial opportunities (Vesala and Pyysiäinen, 2008). Nonetheless, the development of new non-farming businesses



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particularly challenges farmers to re-orient, moving beyond the practices they may take for granted and developing entrepreneurial skills (Morgan et al., 2010).

The development of new non-farming business activities by farmers is also described as a transition from a productivist to a non-productivist, or multifunctional, model of agriculture (Wilson, 2007a, 2008). In productivist agriculture, the farmer's main role is to produce food. In non-productivist, or multifunctional agriculture, farmers take on a broader role by providing additional products and/or services which are better fitted to the demands of society at large (Wilson, 2007a).

Many studies focusing on the development of multifunctionality in agriculture have demonstrated that this transition is far from self-evident (Alsos and Carter, 2006; Brandth and Haugen, 2011; Burton and Wilson, 2006; Pyysiäinen et al., 2006; Ward, 1993; Wilson, 2008). The inheritance of the post-war agricultural modernisation process is seen as playing an important role in this respect. After decades of modernisation, farmers became locked in a highly specialised socio-cultural, technical and economical regime mainly focused on the maximisation of production (Ward, 1993).

Important regarding the development of entrepreneurship is the economic context in which farmers have operated. Instead of being entrepreneurs in a free market, farmers were producers in a highly regulated and protected economic system (Potter and Tilzey, 2005). With regard to learning, we must furthermore point at the strongly production-oriented agricultural knowledge system which has developed. In the Netherlands, agricultural modernisation was powered by an elaborate knowledge system known as the REEtriptych (Research, Extension and Education) (Wals et al., 2012). The REE-triptych implemented a one-size-fits-all modernisation agenda, developed by agricultural research, through an elaborate government extension service and a separate agricultural education system. The agenda was strongly production-oriented and was seen as largely neglecting the diversity of Dutch agriculture (Ploeg, 1994). The post-war modernisation process was very successful in creating highly productive agriculture, yet by creating a protected market and dictating a one-size-fits-all modernisation agenda, it did not particularly stimulate innovative and entrepreneurial behaviour.

Burton and Wilson (2006) demonstrated that breaking out of the productivist regime is a challenging process. In their work on farmers' identities, the authors demonstrated that although farmers have developed many other activities, their selfconceptualisations are often still deeply rooted in productivist thinking. These findings challenge the assumption that the transition from a production-oriented to a more multifunctional agriculture is actually taking place: only if farmers themselves assume more multifunctional self-concepts, can it be assumed that agriculture is moving away from productivist towards a more multifunctional agriculture (Burton and Wilson, 2006).

The agricultural crises and farmers' adaptive behaviours have resulted in an increased attention for entrepreneurship in agriculture (Alsos et al., 2011). In the comprehensive body of literature on the subject, much attention has been paid to farmers' entrepreneurial skills (McElwee, 2005, 2006; McElwee et al., 2006; Morgan et al., 2010; Phelan and Sharpley, 2011; Pyysiäinen et al., 2006; Vesala and Pyysiäinen, 2008; Wolf et al., 2007; Wolf and Schoorlemmer, 2007).

Much of the work done on entrepreneurial skills was related to the European research project Entrepreneurial Skills of Farmers (ESoF).¹ The ESoF project explored the area and identified three essential entrepreneurial skills, namely: 1) *recognising and realising business opportunities*, 2) *developing and evaluating a business strategy* and 3) *networking and utilising contacts* (Wolf and Schoorlemmer, 2007). These entrepreneurial skills were presented as so called 'higher order skills'. While professional and management skills are basic requirements for farmers, the three entrepreneurial skills were found to be essential to create and develop new business activities (Wolf and Schoorlemmer, 2007).

It has been demonstrated that the development of the entrepreneurial skills required to start new non-farming businesses represents a challenging process. In a research paper related to the ESoF project, Pyysiäinen et al. (2006) illustrate that farmers' acquired skills are highly specialised and context dependent. They argue that post-war agricultural modernisation led to farmers strongly adapting their skills to a production-oriented and economically regulated context. Whilst farmers' acquired skills suit their former production-oriented and protected context, they are inadequate for the successful development of new non-farming businesses (Pyysiäinen et al., 2006).

In the work on entrepreneurship in agriculture, the focus has primarily been on farmers' entrepreneurial skills. Until now, the underlying learning process leading to the development of these entrepreneurial skills has hardly been explored. The ESoF project covers the learning process only briefly, finding that farmers develop their entrepreneurial skills predominantly through a process of learning-by-doing, and less so through formal education. It was argued that a change of perspectives is fundamental to learning and that it would occur when farmers change their perspectives after being exposed to new ideas and different ways of doing things (Vesala and Pyysiäinen, 2008). Finally, the project also identified a number of factors which facilitate or hinder changes in farmers' perspectives (Vesala and Pyysiäinen, 2008).

Despite the comprehensive work which has been done on entrepreneurial skills in agriculture, many questions still remain regarding the underlying learning process. Bringing the entrepreneurial learning process of farmers to light, therefore, provides a major opportunity for the field of agricultural entrepreneurship.

Aiming to contribute to filling this gap in the literature, this study explores the learning process underlying the development of entrepreneurial skills in agriculture. By studying farmers who started new non-farming businesses on their existing farms, we focus on the learning processes occurring in the context of multifunctional agriculture. Our investigation is guided by the recently developed concept of *entrepreneurial learning* (Cope, 2005; Hamilton, 2011; Minniti and Bygrave, 2001; Politis, 2005; Rae, 2006), and particularly aimed at identifying the main factors underlying the entrepreneurial learning process in this specific context. The following research question leads this study:

Which major factors underlie entrepreneurial learning in the development of on-farm multifunctionality?

Generating a greater understanding about the entrepreneurial learning process is highly relevant with regard to the increasing need for entrepreneurship in agriculture. By bringing the entrepreneurial learning process to light, this paper furthermore aims to provide starting points for further research and more tailored support and education programmes which take the complexity of entrepreneurial learning in agriculture into account.

The remainder of this paper is structured as follows. We first present our theoretical framework by elaborating on the context of our study and discussing the concept of entrepreneurial learning. The following section describes the empirical basis of this study and elaborates on the collection and analysis of the data. A considerable part of the paper is devoted to the presentation of our main findings. The paper closes by drawing out and discussing the

¹ See www.esofarmers.org.

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