

Title: Non-farm Activities of Farmers in the Netherlands: In Search of a Green Economy

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Abstract

Dutch farmers are under significant pressure to reduce their farm size (specifically livestock numbers) due to stringent domestic and EU environmental regulations aimed at slashing nitrogen and phosphate emissions. The Netherlands has one of the highest livestock densities in the European Union and is the world's second-largest exporter of agricultural products by value, a status achieved through highly intensive farming practices. This intensive system has led to excessive nitrogen oxide and ammonia levels, which are damaging protected nature reserves, a violation of EU law. The diversification of economic activities in rural areas constitutes a significant focus from the perspective of both green economy and regional development (Saith, 1992; Dutta, 2007). While agriculture has traditionally been regarded as the cornerstone of the rural economy in numerous European regions, including the Netherlands, its importance is steadily diminishing, often accounting for less than 10 percent of the overall economic output. (Slee, 2005; European Union 2010; Terluin et al., 2010; Markantoni and Strijker, 2012). Rural areas in the Netherlands are still dominated by agricultural land use,¹ but the countryside is gradually transforming into a multifunctional space for leisure, tourism, and recreation, among others (EC, 2007; Marsden, 1999). A diverse array of ancillary activities has emerged, encompassing sectors such as service provision, landscape and water resource management, ecotourism—including camping facilities and nature conservation initiatives—along with hospitality enterprises such as bed-and-breakfast accommodations. Additionally, old farmhouses have been repurposed for service-oriented businesses, while industrial and manufacturing ventures have also contributed to this economic diversification (Strijker, 2000; Van Depoele, 2000). Strijker (2000) emphasizes that rural renewal should not be limited to an agricultural approach only. Both farm and non-farm entrepreneurs can be found to be engaged in non-agricultural side activities. The significance of side activities is increasing in the perspectives of employment and income generation.

It has been observed that a considerable part of the EU budget goes to agriculture sector. However, alongside agriculture, the EU budget recently has also taken “rural development” into consideration. This somehow recognises the fact that rural is not simply equivalent to agriculture. We contextualize our research on side activities within the broader theme of rural entrepreneurship in which several internal factors including motivation receives prime attention. However, it is not just “entrepreneurial”, but “environmental” as well, since growth of rural non-farm entrepreneurship is seen to be easing environmental pressure caused by intensive livestock farming. In general, small-scale rural entrepreneurs contribute to rural development because of the key role they play in strengthening social capital (Vitartas, 2011; De Vries, 1993; OECD, 2009; Markantoni et al., 2013). This phenomenon can be attributed in part to the establishment of local networks, which facilitate increased social interaction among the resident population (Johannisson, 1990). Additionally, it is a consequence of the strategic mobilization of local resources, a process that not only reinforces social cohesion within the community but also fosters a deeper integration of these enterprises into the regional socio-economic fabric (Jack & Anderson, 2002). Although the side activities do not matter much in terms of reversing unemployment figures, they, however, have the potential to provide the social and emotional ‘glue’ that will motivate a household to remain in a declining area as small-scale economic

¹ Nearly 54% of the total land area in the Netherlands is agricultural land.

activities contribute to a better quality of life and a higher level of well-being. In this study, we propose to explore the local and social contexts of so-called side activities carried out by farmers and non-farmers in the Netherlands, as well as the impact of these activities on their personal lives. It might be useful to shed light on those small-scale activities that have slowly emerged in last several years.