

Article

# Conducive Environments and Entrepreneurial Access to Rural Policies

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**Abstract:** The objective of the paper is to provide an analysis of the role of supportive institutions in fostering entrepreneurial access to rural development policies (RDP) in Italy, namely dedicated measures for boosting farm investments. Access to RDP is considered the outcome of either the farmer's individual disposal or a supportive environment mediated by actors conducive to rural entrepreneurship (ACRE). An empirical analysis has been carried out based on a survey of farms enrolled in the most important Italian farmers' organization, Coldiretti. Quantitative analysis has been integrated through direct interviews with expert witnesses with the purpose of exploring how the farmer organization acts as a supportive institution and how permeability of farmers may differ on the one hand, on the basis of personal and business characteristics of the farm and on the other hand, in the institutional context of raising transaction costs in accessing RDP. The results confirm the fundamental role of ACRE in performing entrepreneurial access to RDP, but, at the same time, it calls for renewed tools to remove the barriers impeding access to RDP, above all for small-sized farms.

**Keywords:** rural entrepreneurship; rural development policies; farm organization; ACRE



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## 1. Introduction

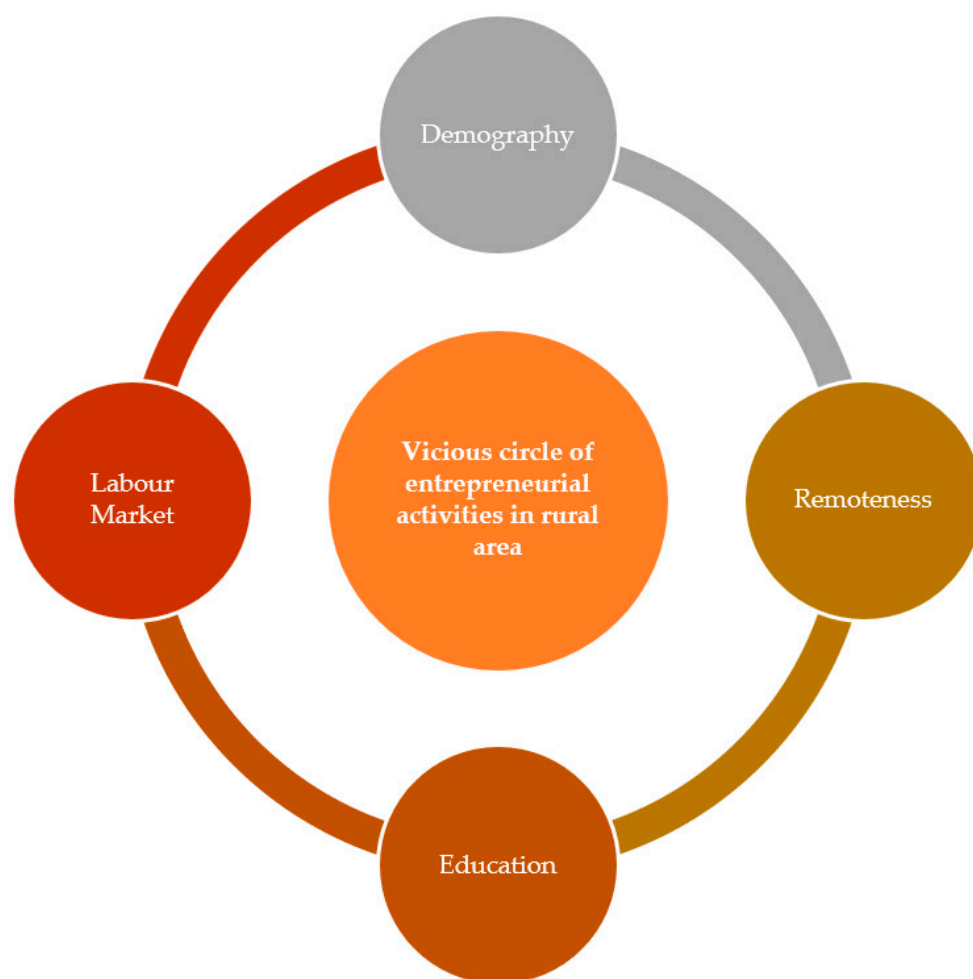
This paper deals with the outcome from the adoption of rural policies on both the conducive environment and farmers' entrepreneurial orientation. More precisely, the aim of the paper is to analyse the relevance of supporting institutions in stimulating access to rural development policies, aimed at introducing farm innovation and modernization. Two research questions characterise our analysis: (1) First, with reference to "accessing" rural policy, what is a conducive environment for rural entrepreneurship? Set against the idea of entrepreneurial ecosystem, a conducive environment is identified as an institutional environment able to address and orient decision making and stimulate a farm's propensity to adopt rural policy. (2) Second, what does entrepreneurial access to rural policies mean? Our hypothesis is that entrepreneurial access is marked by the uptake of policies addressed towards specific measures for supporting investments, which require higher levels of alertness and entrepreneurial orientation due to the higher level of risk combined with the co-funding nature of these measures.

The paper is articulated as follows: the next section explores the role of rural development policies (RDP) as a means to support rural entrepreneurship, while the third section analyses the ways conducive environments bring about what we will identify as entrepreneurial access to RDP. The fourth section provides a brief description of the methodology of empirical analysis, while the following section will be devoted to the results. Some final conclusions and policy implication will end the paper.

## 2. Rural Policies as a Means for Supporting Rural Entrepreneurship

Widely recognized in literature, localization in rural areas is characterized by disadvantages which limit new rural businesses. More precisely, this is attributable to four dimensions, making it difficult to take on entrepreneurial activities and feeding a vicious circle (Figure 1) [1]:

- The vicious circle of demography is linked to the unfavourable demographic conditions, bringing about an ageing population and low birth rates, which worsen the demographic situation.
- The vicious circle of remoteness is related to the lack of infrastructure and services in rural areas with special reference to remote ones. The lack of basic services may boost younger generations to out-migrate.
- The vicious circle of education concerns the relatively lower educational level of the rural population, which may engender lower job opportunities and, consequently, higher levels of poverty.
- The vicious circle of labour markets is strictly connected with the previous point that rural areas offer less job opportunities, above all for skilled workers pushed to out-migrate. This feeds the vicious circle with firms that are not inclined to start up new business due to the lack of skilled workers.



**Figure 1.** Vicious circle of entrepreneurial activities in rural area.

How to reverse this vicious circle has animated a long debate, which has brought about the launch of the new rural paradigm [2], grounded on more place-based and endogenous approaches to rural development [3], where a new vision of entrepreneurship is considered as a fundamental prerequisite to boost rural development. As a consequence,

rural policies are framed within the wider context of territorial policies, which are trying to boost entrepreneurial ecosystems “that are not only about developing new production and market opportunities but also about shaping the future social conditions of these opportunities” [4]. These policies aim to revert the virtuous circle by providing support for more resilient, connected, prosperous, and strong rural areas [5]. With this purpose, the EU is committed to supporting the development of small farms through several structural funds, one of the most important of which is the European agricultural fund for rural development (EAFRD). The fund encourages rural entrepreneurship as a fundamental mean to address the aforementioned vicious circles through a new rural paradigm grounded on place-based approaches.

Coherently with this new paradigm, in this paper we share the idea of rural entrepreneurship which is “a distinctive category of entrepreneurship theory in its own right and by doing so, paves the way for future theorizing about the distinctive nature of rural entrepreneurship” [6] (p. 435). The distinctive nature of rural entrepreneurship is clearly underlined in Korsgaard et al.’s [7] paper, when they posit that rural entrepreneurship is an entrepreneurial activity embedded in rural areas and draws on local resources for value creation. More precisely, rural entrepreneurship is grounded on territorial embeddedness bringing about more territorially anchored mechanisms of rural development [8]. On the other side, literature has also evidenced the low entrepreneurial orientation of rural business due to the fact that rural businesses are usually characterized by either small scale or by reduced rates of growth orientation with respect to urban areas [9]. Additionally, as McElwee and Smith [8] (p. 318) highlight, “whilst many rural businesses are participating in entrepreneurial activities, strategies tend to be reactive rather than proactive”.

Against this background, institutional support may be a key element for creating environments conducive to rural entrepreneurship [10]. With this purpose, the specificity of rural areas calls for renewed approaches, aiming to not only exploit natural local resources, but also to frame farming activity in networks of actors. This has boosted a radical change in the approach of governmental discourse on rural entrepreneurship.

#### *Changing Governmental Discourses on Rural Entrepreneurship*

In their review of the evolution of rural policies, Phillipson et al. [11] underline how farmers have experienced different patterns of support by showing a transition from productionist to entrepreneurial models.

Moreover, the authors add that “agricultural exceptionalism” is being challenged via the liberalisation of markets, reform of government institutions, and demands for the closer and more strategic integration of farming within the wider local and regional development initiatives [11] (p. 31). Set against this background, rural policies are assimilated to “transformative policies”, which, as pointed out by Jeannerat and Crevoisier [4], include the *territorial policy as a means to promote, manage, and operate new disruptive modes of production, consumption, and living to tackle contemporary grand challenges. Innovation policy aims towards societal change that gives prominence to influential niche innovations and institutional reforms actuated in concrete places, spaces and multiscalar institutional contexts*. The new rural policies of the European Union fit with this vision of rural development within which the farming activity is reconfigured. Actually, the new European agricultural, model is designed around the following dimensions [12]:

1. “High-added-value farming with high-quality primary and processed products”;
2. “Farming open to regional markets”;
3. “Farming geared to local markets”;
4. “Agronomically sound and sustainable agricultural systems as vital to guaranteeing competitiveness on local, regional and international markets”.

Furthermore, the recent reorientation of policy to entrepreneurship privilege relational forms of assistance aimed to empower networking activities, relational assets, and peer-based interactions [13]. This calls for more “contextualized” approaches for developing targeted measures of intervention. Consequently, entrepreneurial ecosystems are

emphasized as context variables for better targeting policies, as entrepreneurial ecosystems are “combinations of social, political, economic, and cultural elements within a region that support the development and growth of innovative start-ups and encourage nascent entrepreneurs and other actors to take the risks of starting, funding, and otherwise assisting high-risk ventures” [14]. The entrepreneurial ecosystem perspective brought into policies implies governing heterogeneous actors with the purpose of enabling productive entrepreneurship [15]. More precisely, place-based approaches to rural policies have been emerging as the best solutions to take into account places where entrepreneurship flourishes [16]. Accordingly, rural policies planned at the national and international levels represent enabling tools for supporting rural entrepreneurship. To this end, new institutional arrangements are provided in rural development processes with the purpose of reducing coordination problems and supporting cooperation among actors involved in building up sustainable rural development [17]. This is particularly underlined by Bryden [18], who points out the key dimensions shaping the new approach of rural policies aimed at creating supportive environments for rural entrepreneurship by emphasising more territorially oriented and decentralized policies, which recognize the many “rural” facets and address policies for rural innovation and for enabling proactiveness of rural entrepreneurs. This is realized through the shift from subsidies to approaches based on promoting investments in rural areas [2]. The call for new investment tools for supporting entrepreneurship in rural areas needs scenario analysis, allowing us to better contextualise policy action [19].

Set against the European policy framework, the EU rural development policies (RDP) evidence the following areas of opportunity for supporting rural business [20]:

1. Agricultural advisory and training services;
2. Supportive infrastructures;
3. Business investments;
4. Investments in the agrifood sector;
5. Investments in rural diversification;
6. Investments in rural social enterprises.

Therefore, rural policies identify clusters of opportunities to cut back undercapitalization problems the farmers must face [21]. RDP hold a relevant share of the EU budget with the purpose of boosting the EU agriculture and rural development. Nonetheless, a question of “access” to support RDP emerges, as pointed out by De Rosa and McElwee [21] (p. 9) *the relevance of the topic fits in the framework of the contractual approaches the EU establishes to support farm investments. The principal (EU) provides policies to the agent (farmers) to promote either supply chain strategies or integrated territorial strategies.* On the other side, the capability of obtaining funds from rural policies is the result of a complex effort involving the entrepreneurial capabilities of farmers whose contours are discussed in the next paragraph.

### 3. Entrepreneurial Orientation and Access to Rural Policy

A conducive environment is generally identified here as an institutional environment which brings about innovation through entrepreneurship [22]. A key role in building up conducive environments is played by territorial development policies, which should support entrepreneurship ecosystems by developing new market opportunities but also through boosting local actors to better exploit these opportunities [4]. The European rural development policy is targeted to rural contexts and identify context-related measures for stimulating rural development [21].

This is realized thanks to interventions aiming to mobilise local resources and local entrepreneurship; as a matter of fact, “rurality offers an innovative and entrepreneurial milieu in which rural enterprises may flourish and prosper or become inhibited” [22] (p. 406).

Set against the background of this paper, a conducive environment is able to address and orient decision making and stimulate the farm’s propensity to adopt rural policy.

In this section, we firstly hypothesise that RDP measures do not retain the same importance, as they are divided between investment measures and other measures (for

instance, agro-environmental schemes, providing surface payments to farmers involved in sustainable agricultural practices). Secondly, we posit that access to measures for investments requires entrepreneurial orientation [23] with the aim to introduce innovation. The adoption of measures for investments is conditionally endorsed by the co-funding of the investments by the farms, which introduces degree of uncertainties about the success of the initiative. To perform better, more entrepreneurial behaviours are required, and as pointed out by De Rosa and McElwee [21], the decision of applying for measures of investment is to be considered as entrepreneurial in that it encompasses three key elements of the entrepreneurial orientation:

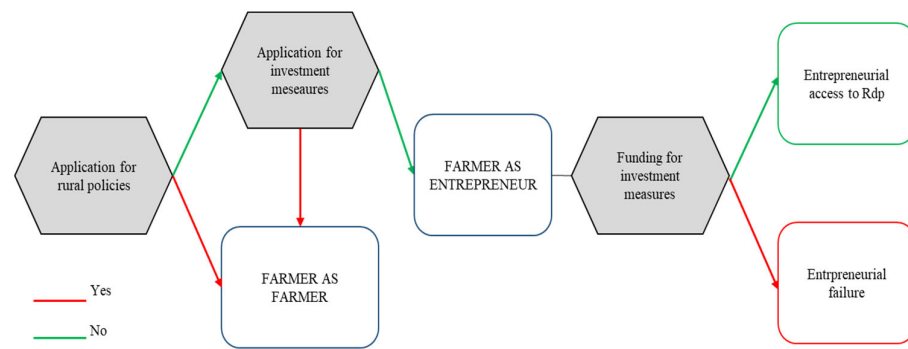
- a. Innovativeness: through access to RDP, farmers support innovative processes, aimed at producing new quality products, diversifying farming activity, develop new niche products, etc.;
- b. Proactiveness: RDP prop up forward-looking approaches aimed at exploring and exploiting opportunities linked to new products and services, meeting potential demand [24]. Accordingly, growth orientation in adopting rural policies is rooted in farmers' attitudes towards applying for funding to support farm strategies;
- c. Risk taking concerns the risk that the application for rural development policies could fall through. Therefore, uncertainty about the success of the demand for policy is a key element to be taken into account.

To be successful in gaining access to RDP is not an easy objective and may be hampered by the high costs of implementation that literature has identified as transaction costs [25,26]. As neoinstitutional approaches have emphasised [27], in many cases informational asymmetries may raise the level of transaction costs, intensifying barriers to access RDP.

Therefore, drawing on the entrepreneurial discourse with special reference to how such behaviour is initiated, it could be of interest to analyse in depth how entrepreneurial access to RDP starts and how it is successfully fulfilled. By considering both the personality traits and the activity side perspective, the farmer is conceived in a certain context and entrepreneurship is learnable [28]. In this paper we agree with this perspective by recalling the fundamental role of supporting institutions in promoting farming activity and entrepreneurship. As a matter of fact, intermediaries may act as facilitators for accessing rural policies and then, reconfiguring a conducive environment for rural entrepreneurship. For instance, agricultural advisory services take on this mediating role between supply and demand of policy with the purpose of removing informational asymmetries and, consequently, reducing transaction costs. Therefore, their behaviour creates supportive environments for entrepreneurship; in this paper we assimilate these mediators to actors conducive to rural entrepreneurship (ACRE) with the purpose of boosting higher access to rural development policies. This "brokering activity" aims to support farmers to identify and exploit opportunities through raising the farmers' entrepreneurial alertness [29,30] and enskilling them for farm diversification alongside the new paths of sustainable rural development [31].

Set against this background, ACRE's activity is developed through a long-term process of support, which unfolds according to Figure 2. Four conditions are set up to identify entrepreneurial access to RDP:

- a. If the farm applies for support from rural development policies;
- b. If the farm applies for investment measures;
- c. If the farm applies successfully for investment measures but is not funded;
- d. If the farm applies successfully for investment measures and is funded.



**Figure 2.** The entrepreneurial access to rural development policies.

As evidenced in Figure 2, no access and access but not for investment measures identify a farmer with low entrepreneurial orientation, already depicted in literature as “farmer as farmer” [32]. On the other side, accessing rural policy to support strategies of investments turn the farmer into an entrepreneur, aimed at gaining access to RDP with the purpose of supporting innovative and risk-taking strategies.

Permeability of the brokering activity may depend on key explicative variables, which need to be explored, such as farm size, age of the farmer, and level of education. Therefore, in our empirical analysis we will verify access to RDP as the outcome of entrepreneurial orientation through the support provided by ACRE. The mediating role under investigation is provided by the most important Italian farmers’ organization.

#### 4. Methodology

To evaluate entrepreneurial access to rural policies, a two-step analysis has been carried out. Firstly, a questionnaire has been submitted to a sample of farms enrolled in the most important farm organization of Italy, “Coldiretti”. Coldiretti plays a relevant role in supporting Italian farmers at both the national and international level. One of the main activities is to assist farmers in adopting measures of rural development policies, acting as advisor in supporting both the first and the second pillars of the Common Agricultural Policy (CAP).

The survey was conceived and structured by the research group together with Coldiretti, combining the needs derived from the research hypothesis with the suggestions offered by the dialogue with the directors of the association, which allowed us to improve the quality of the questions.

The questionnaire was transmitted through Coldiretti’s online platform (ilpunto-coldiretti.it). It was online for a week, at the end of which the possibility to answer the survey was closed. We have collected surveys from 8042 farms. Table 1 show the descriptive statistics of the sample analysis.

**Table 1.** Descriptive statistics.

	Results	PERCENTAGE
Male Farmer	6137	76.3%
Female Farmer	1905	23.7%
Genuine Farmer	5558	69.1%
Part-Time Farmer	1066	13.3%
Retired but Active Farmer	1030	12.8%
Retired Farmer	388	4.8%

Table 1. Cont.

	Results	PERCENTAGE
<29	490	6.1%
30–40	1318	16.4%
41–60	4017	50.0%
>60	2217	27.6%
No Education/Elementary School	463	5.8%
Average School	1949	24.2%
Professional High School	1304	16.2%
Agriculture High School	1051	13.1%
High School	2026	25.2%
Agricultural Bachelor	247	3.1%
Bachelor	242	3.0%
Master	760	9.5%
0–2 ha	835	10.4%
2.1–5 ha	1412	17.6%
5.1–10 ha	1535	19.1%
10.1–20 ha	1510	18.8%
20.1–50 ha	1564	19.4%
>50 ha	1186	14.7%

The interviewed farms all belonged to the association, which despite representing over 350 thousand Italian farms, is not representative of the Italian agricultural system.

In addition, the method of submitting the questionnaire, via an online platform, intercepted a type of agricultural entrepreneur who on average is younger and more educated, and this can be seen by analysing the descriptive statistics of the sample in which high school and university graduates in the sample are about 70%, compared to 30% of the Italian universe (Istat, 2016, structural survey). This dystonia is also reflected in other typical farm characteristics, such as the average size, which is higher for the sample than for the Italian universe, and for the presence of more firms from the north than from the south. The non-representativeness, in an absolute sense of the agricultural system, if dropped into the reality of the Italian farms that actually access rural development measures, changes the micro-farms led by the elderly and poorly educated who do not access these policies because they are unable to use these measures [33]. For these reasons, the sample analysed has the ideal characteristics to respond to the research hypotheses underlying this study.

As a matter of fact, applications for rural policies are mediated by this organism acting as facilitator of entrepreneurial access to rural policies. Therefore, this organism is to be considered as an ACRE. The questionnaire includes the following questions:

- (1) Access to funds provided for rural policies
  - a. Did the farm apply for rural development policies?
  - b. If yes, did the farms apply for investment measures, which have been identified as proxies for entrepreneurial orientation, including proactiveness, innovativeness, and risk-taking?;
  - c. Did the farm apply successfully for investment measures but has not been funded, as it is a proxy for an entrepreneurial failure in accessing RDP?;
  - d. Did the farm apply successfully for investment measures and has been the farm funded? This is to be considered as the entrepreneurial access to RDP.

Finally, to evaluate possible obstacles to applying for rural development support, the main barriers for getting funded have been excavated.

- (2) Farm's socioeconomic characteristics

To frame the access to RDP within explicative variables, socioeconomic and structural aspects have been considered, drawing from McElwee and Smith's [34] segmentation framework, more precisely:

- Personal characteristics of farmers are considered, such as family farm stage of life cycle and farmers' level of education;
- Business characteristics and processes, such as farm size, sector of activity, diversification strategies, geographical localization, etc.

In the second step of the analysis, information drawn on questionnaires have been integrated by direct semi-structured interviews with 10 expert witnesses of the farmers' organization with the purpose of excavating the role of this organism in successfully planning access to RDP. Interviews were conducted with 10 regional and national directors of Coldiretti. The interview was structured with pre-set questions, such as "How does Coldiretti support entrepreneurs in accessing rural development policies?" and through a constructive dialogue that allowed us to integrate suggestions and interpret the results of the survey carried out through the questionnaires. The interview was carried out in the headquarters of the association, and in addition to the research team, a member of Coldiretti assisted, who introduced the interviews by explaining the purpose of the scientific work and recorded the interview. During the interview no recorder was used, but the verbalizer also recorded original parts of the regional director's statement. The interviews last from 45 min to 1.5 h. No analysis tool was used and no traditional scheme for qualitative interviews, such as narrative analysis or discursive analysis, was followed. The motivation for this choice was only to explore some aspects of the association's support in conveying information about rural development opportunities.

In this case, they may be identified as ACRE.

The key aspects of concern include:

- a. The way Coldiretti teases up farmers' alertness about new business opportunities provided by RDP;
- b. The way Coldiretti enskills farmers about access to RDP.

## 5. Results

The analysis was carried out entirely using the three Italian macro territorial areas, the North, which comprises the regions of Valle D'Aosta, Piedmont, Liguria, Lombardy, Emilia-Romagna, Trentino Alto Adige, Veneto, and Friuli Venezia Giulia, the Centre, which comprises the regions of Tuscany, Umbria, Marche, Lazio, Molise, and Abruzzo, and finally the South, which comprises Campania, Apulia, Basilicata, Calabria, Sicily, and Sardinia, as shown in the following figure (Figure 3).

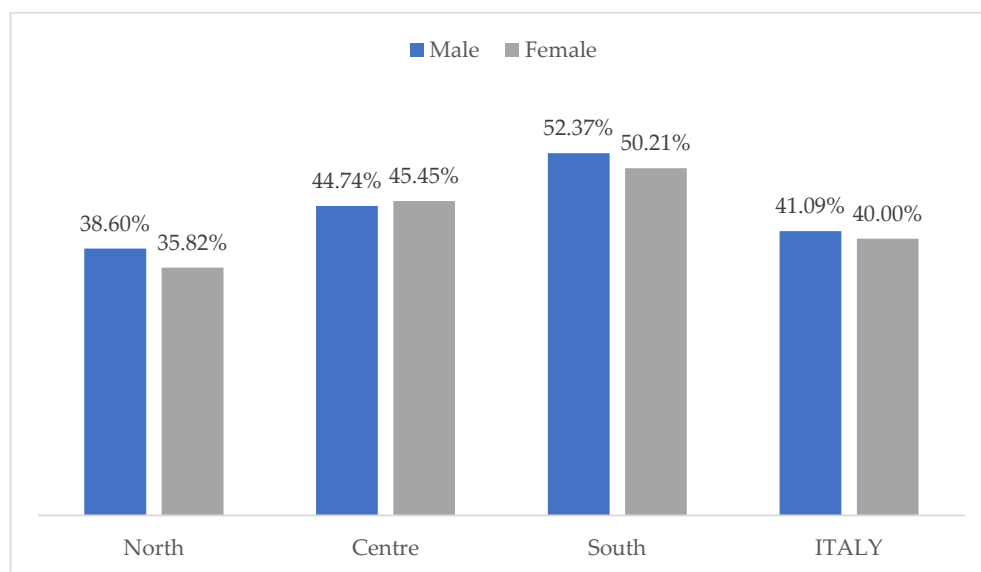


**Figure 3.** Macro-area in Italy.

Our results evidence that 40.1% of farms applied for rural policies with a balanced score among male and female farms (Figure 4). Territorial differences emerge in terms of a higher propensity to consume policies in Southern Italy (more than half of farms applied



for RDP), while the lowest percentage is registered in Northern Italy (38.6% for males and 35.8% for females).



**Figure 4.** Applications for RDP in Italy.

As evident from Table 2, both personal and business characteristics of farms may affect the decision-making process of either applying or not applying for funding. It is evident from the table that the more genuine (which means professional) and well educated the farmer is, the higher the rate of application to RDP. Likewise, farm size is only partially positively correlated with access to RDP; actually, the highest percentage of applications is registered within farms with an average size of 2–5 hectares. Of course, this figure does not discern the application for investment measures from other measures; therefore, it cannot be considered as a proxy of entrepreneurial behavior in the uptake of policies.

**Table 2.** Applications for RDP (%).

	North	Centre	South	ITALY
<b>Sex</b>				
Male Farmer	38.6%	44.7%	52.4%	41.1%
Female Farmer	35.8%	45.5%	50.2%	40.0%
<b>Professional condition</b>				
Genuine Farmer	50.5%	57.9%	62.1%	53.3%
Part-Time Farmer	11.9%	18.2%	29.9%	14.9%
Retired but Active Farmer	12.8%	16.7%	24.7%	14.3%
Retired Farmer	4.9%	4.2%	-	4.1%
<b>Age</b>				
<29	61.4%	68.8%	83.1%	65.7%
30–40	58.4%	63.1%	68.9%	60.8%
41–60	40.8%	47.8%	53.0%	43.3%
>60	16.5%	24.9%	25.1%	19.0%

Table 2. Cont.

	North	Centre	South	ITALY
<b>Level of education</b>				
No Education/Elementary School	9.9%	10.2%	12.5%	10.2%
Average School	28.4%	33.7%	40.3%	30.1%
Professional High School	35.9%	42.2%	60.4%	38.6%
Agriculture High School	54.4%	61.8%	69.8%	56.7%
High School	43.3%	48.5%	50.4%	45.5%
Agricultural Bachelor	58.3%	67.2%	66.0%	61.9%
Bachelor	46.2%	69.2%	73.3%	55.0%
Master	42.8%	49.0%	46.4%	45.3%
<b>Farm size</b>				
0–2 ha	20.1%	18.2%	13.6%	19.4%
2.1–5 ha	25.0%	30.7%	30.9%	26.5%
5.1–10 ha	34.0%	36.1%	39.3%	35.0%
10.1–20 ha	40.2%	41.0%	56.5%	42.5%
20.1–50 ha	47.0%	59.9%	61.8%	51.5%
>50 ha	62.1%	65.1%	74.8%	64.4%

Moving on to the analysis of successful application implies recognizing the presence of the ACRE in adopting RDP. What is interesting to note here is the difference between rates of application and rates of success, synthesized by the percentage of applicant and funded farms. Entrepreneurial access to RDP provides a completely different view of the situation; more precisely, Table 3 illustrates the percentage of farms being funded from RDP, showing two relevant pieces of information:

- (a) There is a sort of leveling of differences in each explicative variable, as if the ACRE had filled the previous gap by securing farmers with high rates of performance in the uptake of RDP. This means that, once the application is admitted, farms present a similar probability of success, and the role of ACRE becoming more relevant in performing the demand of policy.
- (b) There is a territorial difference in the ACRE performance, which questions the ACRE's effectiveness as a mediating actor able to create conducive environments to entrepreneurship. As a matter of fact, in Southern Italy, rates of success seem lower than the other parts of Italy, above all with respect to Northern Italy. What can motivate these differences? The next paragraph tries to excavate the role of the Coldiretti farm organization as a supporting institution and why different institutional performances may emerge at the territorial level.

Table 3. Rate of entrepreneurial access to RDP.

	North	Centre	South	Italy
<b>Sex</b>				
Male farmer	81.4%	75.8%	75.5%	79.6%
Female farmer	83.2%	79.1%	66.4%	79.4%
<b>Professional condition</b>				
Genuine farmer	82.4%	76.7%	72.6%	79.8%
Part-time farmer	70.8%	71.1%	71.9%	71.1%
Retired but active farmer	80.0%	86.2%	88.9%	82.3%
Retired farmer	76.9%	100.0%		81.3%

Table 3. Cont.

	North	Centre	South	Italy
<b>Age</b>				
<29	84.7%	68.2%	70.4%	78.9%
30–40	80.4%	71.1%	69.9%	76.8%
41–60	81.9%	79.1%	72.7%	80.2%
>60	81.3%	83.6%	85.5%	82.4%
<b>Level of education</b>				
No education/elementary school	79.4%	66.7%	75.0%	76.6%
Average school	79.0%	85.1%	69.0%	79.0%
Professional high school	80.5%	70.2%	58.2%	76.3%
Agriculture high school	84.8%	72.8%	76.1%	82.2%
High school	81.4%	76.7%	76.3%	79.5%
Agricultural bachelor	85.2%	56.4%	75.8%	75.8%
Bachelor	84.9%	70.4%	72.7%	78.9%
Master	81.9%	88.1%	77.9%	82.8%
<b>Farm size</b>				
0–2	76.8%	50.0%	87.5%	74.7%
2.1–5 ha	80.4%	58.7%	61.8%	74.3%
5.1–10 ha	80.3%	76.1%	78.1%	79.1%
10.1–20 ha	83.7%	88.6%	70.6%	82.4%
20.1–50 ha	82.1%	79.9%	72.5%	80.0%
>50 ha	82.9%	76.8%	75.9%	80.5%

#### Qualitative Analysis: How to Explain ACRE Performance

From our interviews, a clear conducive environment for facilitating access to RDP emerges. More precisely, Coldiretti acts along different trajectories of support by creating conducive environments:

- (a) The first dimension concerns the reduction of informational asymmetries by keeping farmers alert and conveying information about new business opportunities and different forms of support provided by the policy. As posited by interviewed experts, “in our regional centers we offer the farmers all informational assistance concerning the opportunities provided by agricultural and rural policies at European, national and regional level”. Accordingly, the institution acts as “nudges”, aiming to boost rural entrepreneurship [35]. Informational asymmetries are reduced either through personal contacts or information and communication technologies able to keep the farmers constantly updated about new calls and fund opportunities.
- (b) The second-dimension deals with filling the farmers’ skills gap in the applications for RDP. In this case, a reputation question emerges that supportive institutions try to build up their own reputations by creating conducive environments able to facilitate access to funds provided by RDP, “We are really involved in performing the applications because farmer’s success in getting funded is our success. Farmer’s success is an indicator of our reputation and ability as supporting institution”. Therefore, this is a critical phase, where the institution supports farmers with the processes of both application and business planning. What may hamper a successful process, reducing the “relative conducive capability”, regards two aspects. Firstly, with the liquidity problem, many farmers have no liquidity to co-fund investment measures, thus not opting for investment measures (for instance, agro-environmental payments, which are annually provided based on the surface invested on sustainable agricultural practices). This issue has been raised with reference to the main production activities carried out by farms and may offer an explanation about the different successes in the applications between northern and southern Italy. For instance, in northern Italy, more structured farms with livestock present higher financial robustness than southern farms, resulting in a higher probability of successfully applying to investment

measures. Secondly, the high transaction costs of access to RDP act as barriers which cannot be easily overcome by conducive institutions [25]. As a matter of fact, in many cases, the call for applications is difficult to be fully understood, with so many legal quibbles which discourage applications by farmers; “some calls are really difficult to understand and present many administrative obstacles. In these cases, we prefer to orient farmer’s demand towards more easily to manage measures, like the annual payments for agro-environmental measures, instead of supporting access to funds for investments”.

## 6. Discussion and Conclusions

This paper aimed to excavate the complex procedure for getting funded by rural policies of the EU. We have assimilated this process to the outcome of entrepreneurial behavior marked by the contemporary effective action of both an entrepreneurial orientation and conducive environments facilitating successful applications, owing to the activities of ACRE operators. To the best of our knowledge, the relevance of rural policies in setting up conducive environments to rural entrepreneurship and the entrepreneurial access to them represent an original contribution provided by the paper. As pointed out by Jeannerait and Crevoisier [4], these policies are identified as transformative in that they encourage a systemic change (not only technological, but cultural and social) by addressing a new business model, which must be sustainable and economically viable. However, to be fully exploited, these policies call for more entrepreneurial orientation in that rural policy “*means to promote, manage, and operate new disruptive modes of production, consumption, and living to tackle contemporary grand challenges*” [4] (p. 8). Moreover, the role of supportive institutions, such as farmers’ associations, need to be studied more in-depth in future research to appreciate the potential for removing the barriers to support rural development measures. As a consequence, a more complex policy intervention is expected to shape conducive environments, which are labelled in literature as policy mix [36].

The degree of conduciveness is mediated by other socioeconomic variables we have considered, such as business and demographic characteristics of the farms. To the best of our knowledge, the analytical perspective here adopted is original and offers a contribution to literature on rural entrepreneurship with special reference to access to policy as a means to support both agricultural and rural development. Nonetheless, our paper presents some limitations which are necessary to underline. Interviewed entrepreneurs belong to the same organizations and, consequently, we are not able to verify the effective intensity of the action with respect to farmers outside this organization. Therefore, in further analyses we need to fill this gap. Despite this limitation, the paper offers some preliminary conclusions and insights for policy intervention.

A first element regards the low percentage of potential farms available to apply for rural development support (40%), which confirms our previous research on the inclination to consume rural policies to support farm strategies [21]. This means the levels of transaction costs, already pointed out by Falconer et al. [25], still represent a barrier for accessing RDP. As emphasized by Menghi et al. [37] (p. 33), these costs are referred to as “private transaction costs mainly related to the administrative procedures that go along with the legislation”. Within this respect, regional differences remain evident in that bureaucracy and administrative inefficiencies may hamper the full uptake of rural policies, as the frequent cases of low capability of expenditure of EU funds demonstrate. Nonetheless, our research has evidenced the effective action of the ACRE in reducing parts of these transaction costs by, for instance, reducing informational asymmetries and providing farmers with all support to easily accessing RDP. Therefore, a full access may be secured by the contemporary presence of the farmer’s individual disposal (which witnesses an entrepreneurial orientation in the aforementioned sense), joined with either the effective ACRE’s action or an efficient institutional asset, which downsizes transaction costs to access RDP.

On the other side, objective difficulties remain not surmountable, such as in the case of access excluding smallest farms in accessing measures for investments. If we consider

the relevance of small farms in European agriculture, a revision of the procedures aiming to facilitate a wider access is compulsory.

Therefore, simplification could be the keyword for a new approach to facilitate access to rural policies with special reference to investment measures. The recently approved rural policies for 2023–2027 pave the way to empower all farmers with new tools to increase their competitiveness, thanks to investment measures towards productivity, farm diversification, quality of products, etc. The removal of the aforementioned transaction costs in being funded represent a strategic basis for boosting a more entrepreneurial access to rural development policies.

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