

Pluriactivity, part-time farming, farm diversification, integrated and inclusive rural household development in contemporary economics

Štefan Bojnec
University of Primorska
Faculty of Management
Cankarjeva 5, Koper, Slovenia
E-mail: stefan.bojnec@fm-kp.si; stefan.bojnec@siol.net

Introduction

The aim of this paper is to presents and compares the concepts and practices of pluriactivity, part-time farming, farm diversification, integrated and inclusive rural household development in contemporary economics, focusing on Slovenia. Family farming has always been the most important in structures of Slovenian agriculture. This dominant role of family farming in agriculture can vary across different regions and areas with different conditions for agricultural production. Historically, except for forest land areas and for some flat areas, where land owners were also churches and other larger land owners, the majority of land has been possessed in different forms, operated and cultivated by individual family farms. They have been of small-size with traditional peasant farming (Warriner, 1963).

Agricultural and land reforms on the present territory of Slovenia have made some changes in the structures of land ownership and land operation, but the main role of family farming in the agricultural structures have not changed during the 20th century. Three main agricultural and land reforms have been linked to the political and institutional changes following the collapsed of the previously existing countries: first, the collapse of the Austro-Hungarian Monarchy after the 1st world war and the establishment of the Kingdom of Croats, Serbs and Slovene. The agrarian reform resulted in limited land distribution among smallholders. Second, the established Socialist Federal Republic of Yugoslavia (SFRY) after the 2nd world war nationalized land of churches and big landowners and family farms about the set threshold of land maximum. In addition to family farms, state or ‘social’ enterprises were created to cultivate state land and in different directions within the set institutional rules and constraints compete with family farms. Finally, the collapse of the former SFRY and establishment of the Republic of Slovenia as the independent state, which adopted restitution law of formerly nationalized land and forest land in kind or in form of compensation of under the law eligible former owners (Bojnec and Swinnen, 1997a and 1997b).

During the last two decades in the Slovenian agriculture have occurred important structural changes. Among them is the decline in the number of farms. This is particularly valid for the medium-sized farms. An increase is recorded in the number of bigger farms and in their average size (Bojnec and Latruffe, 2013). Not only buying of land, but particularly leasing of land has become an important determinant for the increase in the number of bigger farms and for the increase in their average land size. This suggests market driven relaxation of a traditionally strong link between family land ownership and family land operation. As a result of this land market and land leasing processes is concentration in land operation with the greater number of land owners than land operators. This pattern in development is similar to some western European countries, where a substantial percentage of land use is on rented land such as in Belgium and France.

A great percentage of agricultural holdings in the Slovenian rural areas have traditionally combined on- and off-farm employment and income generating activities (Knific and Bojnec, 2015a). These employment and income diversification patterns of agricultural holdings in economic development are consistent with similar developments in some developed countries such as for France (Campagne et al., 1990), the neighbouring Italy (Bull and Corner, 1993), Japan (Francks, 1995), Ireland (Kinsella et al., 2000), among others, and developing countries (Ellis, 2000) and China (van der Ploeg and Jingzhong, 2010). Therefore, on- and off-farm employment with associated on- and off-farm income sources has become one of substantial characteristics in evolution of multiple jobs in agricultural holdings and in rural areas in their survival strategies in competitive local and global economic environment.

A body of the theoretical, conceptual and empirical literature and practices have developed on different concepts and characteristics of pluriactivity, part-time farming, farm diversification, integrated and inclusive rural household development in contemporary economics. In several countries, including in Slovenia, family farming is defined by law (Graeub et al., 2016). Definitions of family farms differ between countries. There is also a considerable diversity of family farms globally. In general family farmers perform farming activities mainly for self-cultivation: own the land where they produce with family members and ensure minimal income from agricultural activities and perform multifunctional roles in rural areas.

The objectives of this paper are to present different concepts of family farm and agricultural holding diversification. While the aim is to develop unified conceptual approach, the current stage of the research illustrates large theoretical complexity and practical varieties in evolution between countries. This complexity and specific situation is illustrated in the case of more recent evolution in family farms or agricultural holdings diversification in part of hilly and mountain areas in Slovenia, focusing on the municipalities of Gorenja vas-Poljane and Škofja Loka. It is argued that farm diversification, integrated and inclusive rural household development can contribute to the new roles and perspectives of family farming in meeting agricultural household survival strategy in rural areas. The paper concludes with findings that can be relevant for the research on “integrated peasant economy” by improving understanding of family farming, pluriactivity, part-time farming, farm diversification, integrated and inclusive rural household development in multifunctional agricultural and rural development in contemporary economics.

1. Pluriactivity

The literature explaining the concept of agricultural and rural pluriactivity and its meaning is mixed (Marsden, 1990; Reis et al., 1990). Campagne et al. (1990) agree on some similarities and differences in the concept of pluriactivity in the theoretical literature and practice, which are explained based on characteristics in agricultural development in three agricultural regions in France. They based three different types of pluriactivity in agricultural development when farms are able to carry on a modernization process, farms are threatened in spite of their modernization, and farms are unable to be modernized. Agricultural policy, in this case mostly Common Agricultural Policy (CAP) of the European Union (EU), causes different regional impacts with a particular form of pluriactivity in agricultural development. In Picardy region a business pluriactivity uses agricultural resources to increase non-agricultural activities. In Languedoc region a rural development pluriactivity has developed by using non-agricultural resources for its modernization. In Savoy region a rural pluriactivity of survival has developed with the close combination between agricultural and non-agricultural activities,

which permits the maintenance of rural many-faceted businesses. Agricultural development is linked to rural development, but causalities between agricultural and non-agricultural rural development can go in different directions.

Evans and Ilbery (1993) conceptualized debate on the restructuring of agriculture and nonconventional methods of farm family businesses, which is employed to raise income as a part of a family farm survival or accumulation strategy. This can be explained not with a single, but with more concepts such as pluriactivity, part-time farming and farm diversification of farm family business activities. Therefore, there are different options and thus differences in the interpretations of such concepts. More specifically, they suggest an analytical distinction between farm-centred or farm-based accommodation diversification and off-farm employment, within the broader concept of pluriactivity of farm household members. Farm-centred diversification further diversified the farm business. Family members hold any off-farm employment and the relationship with farm business structure and farm accommodation type. This can be further differentiated with other issues of family farm business and family life such as the gender-bias implications in relations between alternative farm-centred or farm-based accommodation diversification and off-farm activities. Therefore, the nature of pluriactive farm businesses can be rather different. Specific options of family farms or holdings are important for understanding of the structure and dynamics of agricultural holdings engaged in different pluriactive strategies for their survival.

Bull and Corner (1993) study focuses on historical development and evolution of the pluriactive' agricultural and rural household transformation from peasant to entrepreneur among family farm in Italy, which is further investigated by Francks (1995) comparisons of similarities between experience and possible alternative pattern in transformation of the small-scale, multi-functional, agricultural and rural households from peasants to entrepreneurs in Italy and Japan.

Similar country and comparative studies based on a country's specific concept of pluriactivity have been conducted also for some other developed countries such as for example for Norway considering agricultural and rural pluriactivity as household survival strategies and as an opportunity for rural renewal (Eikeland, 1999) and Ireland considering concept of pluriactivity as a farm household livelihood strategy important for agricultural and rural development (Kinsella et al., 2000). Bessant (2006) explains the nature of pluriactivity in the United States (US) and particularly in Canada. For Canada, the presence, persistence, and varied forms and functions of pluriactivity among farm households are explained in relation to Sustainable Rural Livelihoods (SRL) concepts, which consist from adaptive strategies, diversification and resilience.

Farm or agricultural holding pluriactivity can be found also in Slovenian agricultural and rural development. Similar to some western European countries, but under different institutional and policy environment, the causalities between agricultural and non-agricultural activities have changed over time. This has been caused by rapid post 2nd world war industrialization process with use of agricultural resources to increase non-agricultural activities. Later with a more decentralized or polycentric development, a rural development pluriactivity was developed in association with non-agricultural activities. Finally, agricultural holdings and rural pluriactivity has changed rapidly towards more complex relations with various forms of employment and diversification of income sources.

2. Part-Time Farming

Part-time farming is closely associated with development of non-agricultural activities in villages in rural areas. Particularly, this can be linked to development of labour intensive industrial activities in rural areas with high population density and surplus of labour in agriculture and rural villages. Therefore, literature on part-time farming has focused on this phenomenon in relation to quality-of-life perceptions of part-time farmers in the agricultural and overall rural development of developed, industrialized countries (Arkleton Trust, 1985; Jussaume, 1990). Bessant (2006) argued that part-time farming was an initial term for pluriactivity in the 1930s in the US and the 1940s in Canada.

Part-time farming is linked to pluriactivity of agricultural household with two-tier household labour employment: regular off-farm employment and on-farm employment after the regular off-farm employment (Gasson, 1986). It can be considered as a short-term to medium-term farming survival strategy with expected exiting from active farming activities on long-term, if household incomes increased sufficiently and there is no anymore family member interested in farming activities. This can be more frequent practice in developed countries. Exit from active farming can be by selling or renting land and farming specific equipment and other assets to other active farmers. Part-time farming can play a contemporary survival role of agricultural holdings on longer-term basis, which can be more frequent strategy in developing countries due to lower incomes per holding member.

In Slovenia, part-time farming played substantial role in agriculture and in the rural economy during the socialist period, whilst its role has deteriorated later by considerable socio-economic, employment and demographic changes. Particularly restructuring and changes in the structure of production in rural economies and employment changes in the economy have witnessed the reduction of blue-colours employment in low wage paid labour intensive industries in rural regions. A large percentage of part-time farming was associated with employment in local rural labour intensive industries, where employment has been reduced substantially. Early and regular retired people can continue with farming, whilst migration out of rural areas more likely reduced farming in general as well as part-time farming. It is more likely that the decline in the role of part-time farming has resulted to the reduction in the role of small-sized, particularly medium sized family farms and expansion of land renting market activities and increased land use by bigger family farms (Bojnec and Latruffe, 2013).

3. Farm employment and income diversification

Different studies investigated farm diversification with on- and off-farm employment and income diversification. Reardon et al. (2001) provide an overview of rural economies. The focus is on non-farm employment and income diversification in Latin American countries. Juvančič and Erjavec (2005) analyzed employment decisions on agricultural holdings in Slovenia. Davis et al. (2010) provide a comprehensive analysis on a cross-country comparison of rural income generating activities for selected Eastern European (Albania and Bulgaria), African, Latin American, and Asian countries. Nienaber and Potočnik Slavič (2013) investigated the issue of farm diversification through various forms of on- and off-farm income diversification as an instrument of multifunctionality of rural areas in Slovenia and Saarland region in Germany.

Agricultural and rural development subsidies have become an important source of incomes of agricultural holdings. Income diversification of farm households and their dependence on agricultural and rural development policy reforms have been identified for different countries,

for example for tenant farmers in England (Maye et al., 2009). In addition to agricultural and rural development subsidies, this can be also other government transfers for development of remote and peripheral areas such as from the EU cohesion and structural funds.

The geospatial technologies characterize ‘marginal land’ as based on predominantly less favourable biophysical features. This handicapped marginal area is often characterized as less or ‘non-competitive’ for the purpose of commercial agriculture. However, this area can be used for different other purposes, such as for bioenergy crops, which can be subsidized by government policies (Nalepa and Bauer, 2012). In Slovenia, this remote marginal land is extendedly covered by forests, widespread meadows and pastures. The latter two are in a great extent included in agri-environmental programme and measures (Unay Gailhard and Bojnec, 2016). Therefore, a body of literature has developed on farm diversification focusing on hilly and mountainous areas, where agricultural and rural development subsidies are particularly important in the structure of incomes of agricultural holdings. For example, López-i-Gelats et al. (2011) focus on farm diversification in the Pyrenees mountain areas, whilst Knific and Bojnec (2015a, 2015b) focus on agricultural holdings in hilly-mountain areas in the Škofjeloška rural areas in Slovenia. They found changes in income diversification with non-agricultural employment and off-farm incomes of agricultural holdings before and after the Slovenian accession to the EU. Off-farm incomes are found necessary for survival of the majority of agricultural and rural holdings. Some differences in income diversification of agricultural holdings are found between areas with different degree of limited natural conditions as important for commercial agricultural production and socio-economic types of agricultural holdings.

4. Integrated and inclusive rural development

Peasant household families have aimed to survive combining subsistence farming with other employment and income generation activities inside and outside of agricultural holding. The subsistence farming have produced food for consumption at the agricultural holding, while non-farm employment and off-farm incomes have provided cash flows into peasant farm needed for purchases of inputs and other goods, for paying of taxes and for any other expenses needed for survival of peasant farm family members. As argued by Panjek (2011) cash or money inflows into peasant farms were recorded in early modern Western Slovenia. In addition, Panjek (2015) on the basis of historical facts, evolution of peasant farming and activities of peasant family farm members aims to develop the institutional framework and concept of integrated peasant economy in the context of early modern Slovenia.

Recent literature on rural development explains multifunctional and synergistic function of agricultural households in combination with other sources of employment and income. Employment and income diversification of rural households can be driven by different determinants such as higher returns to labour and/or capital in nonfarm economy as well as by risks pertaining to farm input and agri-food output market imperfections.

Literature provides mixed evidence on a positive association between non-farm income and farm performance. Non-farm incomes can be invested into farm and/or off-farm employment and income generating activities. Among various explanatory variables, subsidies can play crucial role among agricultural household income, in addition to non-farm income. Both the government support and non-farm income influence farm efficiency (Bojnec and Fertő, 2013).

Multifunctionality has become an agricultural and rural development policy and political paradigm in agricultural and rural development. Its meaning is widely different in debates of the multifunctionality of agriculture and rural development (Losch, 2004). Among them are different outputs such as cultural and historic heritage values, environmental quality, landscape, biodiversity and long-term sustainable rural development. The policy implications from multifunctionality also differ vastly between countries. They can be related to demands for policy and measures related to agricultural support and protection, which has been rather high in some European and Asian countries. Relatively high levels of supports and state transfers for covering positive externalities of the agricultural sector in rural areas are firm proponents of multifunctional roles of agriculture in maintaining sustainable agriculture and rural development considering economic, social and environmental objective in long-term development.

The increased society and policy makers awareness of farmers' role and other rural local players in the maintenance of rural landscapes may contribute to a reassessment of the place of agriculture and the rural economy in society. Moreover, different aspects of multifunctional agriculture and possible spill-over effects have been developed in an integrated and inclusive rural development. This role is often defined in relation to landscape and valued by rural economy such as rural tourism in a response to a societal demand in multifunctional agricultural and rural development and the multifunctionality effects of agriculture in an integrated long-term sustainable agricultural and inclusive rural development.

5. Diversification of employment and incomes of agricultural holdings and rural families

While there are differences between development processes and structural changes in diversification of agricultural holdings, rural families have diversified jobs, activities and incomes in developed and developing countries. Hill et al. (2005) for the United Kingdom presented that there is no substantial difference in the structures of employment and incomes by economic activities between rural and urban areas.

Diversification of incomes of rural families has become a reality in developed and developing countries. For example, agriculture in transition economies is no longer the main activity and source of income in villages for rural families. As demonstrated by Lerman et al. (2008) for two Russian regions, rural families have diversified non-agricultural income through both possible channels: non-agricultural wage employment and non-farm self-employment. They prefer wage employment due to the relative security rather than more risky individual entrepreneurship in less stable institutional environment. Van der Ploeg and Jingzhong (2010) present multiple jobs of household members in rural villages. They compare and made link between China's peasant economy in rural areas – in a peasant village in Hebei Province – and wider urban (global) economy. Among them exists circular flows that link town of migrated family members and countryside.

A special source of incomes into rural areas can be inflows of remittances from household members, which have (temporary) migrated to more economically developed higher wage countries. This phenomenon in diversification of household incomes has been observed in different parts of the world, such as for example in Latin America (Fajnzylber and López, 2007), as well as has played important development role particularly in low wage and developing countries.

Ellis (1998) defines livelihood diversification strategy of rural holdings in developing countries. It is defined as the development process by which agricultural households and rural

families establish a diverse portfolio of different economic activities and social support capabilities. They are targeting individuals and household. Their aim is to provide survival support, improve livelihood security and living conditions and standards of rural families. The development process is linked to poverty alleviation, to improve income distribution, increase farm output and improve gender participation. To achieve this, a crucial is removal of main constraints, widening and deepening of opportunities for diversification of employment and incomes.

6. The Slovenian case

Our focus is on conceptual issues related to on- and off-farm employment and income diversification activities of agricultural holdings and rural families with application in the Slovenian practice. The evolution of Slovenian agricultural holdings and family farms shares some similarities with historical evolution and the emergence of a variety of survival strategies. They are particularly related to small-scale individual or family farms around the world. Various forms of livelihood diversification strategies such as pluriactivity, development of alternative markets and integrated rural economy indicate the emergence of variety of new forms of employment and income activities, which can be important for resistance and survival opportunities of rural families. They can be based on a wide and rather heterogeneous set of farming and off-farming employment and income generation practices. While family farming can provide autonomy, it might not necessary to be enough for farm family households' survival as a reason for diversification of employment and income strategies (Knific and Bojnec, 2015a).

Kovačič (1996, 19-22) developed and applied the stratum of socio-economic types of agricultural holdings in Slovenia by socio-economic types: pure farms, mixed farms, supplementary farms, and farms in abandonment. This socio-economic agricultural holdings typology has later been applied and further developed by most recent researches.

Erjavec et al. (2002) studied labour adjustment and income diversification in rural households in two – Pomurska and Gorenjska – regions in Slovenia. Möllers (2006) analyzed and compared agricultural household employment and income diversification and strategies of rural households in Slovenia and the Former Yugoslav Republic of Macedonia. Möllers et al. (2008) investigated farm and off-farm employment and incomes of rural households in Slovenia. They found that socio-economic characteristics of rural households influences on their farm and off-farm incomes. Rural households' income diversification towards off-farm employment and incomes is determined by so-called distress-push factors with insufficient farm incomes for rural household survival. In addition, agricultural household labour size pushes rural households into off-farm employment and income diversification in a positive way: a greater agricultural household size, a greater probability for off-farm employment and incomes. However, labour flows out of farm employment depend on education, which is consistent with the previous finding by Bojnec and Dries (2005).

Möllers et al. (2009) analyzed and compared structural changes in rural households in Croatia and Slovenia for the samples of rural (agricultural) households. Main focus has been on socio-economic structures of rural households, focusing on labour allocation and income structures as well as on household strategies and change in rural livelihoods. Farming objectives and strategies can differ also due to farm location closer to the country's capital or other better off-farm employment and income generating opportunities. In both countries, off-farm employment and incomes of rural households are important.

Knific (2013) and Knific and Bojnec (2015a) following Kovačič (1996) and Udovič, Kovačič in Kramarič (2006) among the pure farms included agricultural holdings without the elderly members older than 64 years using the criteria that no one of the core of agricultural household members is employed outside the farm and the annual work unit (AWU = 1,800 hours of labour per year) is at least 1.2. The mixed farm is defined in two ways: first, as agricultural holding with at least one of the core members that is employed on the farm and at least one outside the farm and the amount of work in agricultural holding is at least 1.2 AWU, and secondly, as agricultural holding, in which all members are off-farm employed or retired or dependent persons and total AWU is greater than 1.0 if they meet the conditions: (i) non-elderly farm or pure farm and (ii) without supplementary activities on the farm. The supplementary farm is defined as agricultural holding with supplementary activities on the farm with at least 0.7 AWU in the agricultural activity. The farm in abandonment is defined as agricultural holding, which is not the elderly farm with members older than 64 years and is not a supplementary farm and AWU in the agricultural activity is smaller than 1.0 AWU.

Knific (2013) and Knific and Bojnec (2015a, b) present changes in income diversification and strategies in agricultural holdings in the case of Škofjeloška hilly-mountain rural areas. Income diversification of agricultural holdings with non-agricultural employment and off-farm incomes is for the majority of them necessary for survival. The municipality of Škofja Loka is economically more developed with relatively favourable conditions for agricultural production in the flat areas of Soriško polje. The municipality of Gorenje vas-Poljane is economically less developed, with the greater distance to urban centres and local markets and poorer limited conditions for agricultural production. Only the number of supplementary farms has increased in an area with better natural conditions for agricultural activity and in the close proximity of urban centres, while decline is for other socio-economic types of farms as real incomes from agricultural activities decline in a spite of a fact that the state support to agriculture has increased. Incomes from agricultural activities for majority of agricultural holdings are not sufficient for survival. Supplementary farms diversify incomes from agricultural activity with supplementary activity from self-employment and off-farm employment primarily to ensure a steady source of income, to increase standard of living and to ensure funds for investment in primary agricultural activity towards market opportunities (Knific 2013).

Labour mobility from agricultural activities to higher efficient non-agricultural employment activities in Slovenia with income diversification has increased (Bojnec and Dries, 2005; Bojnec and Latruffe, 2013). Diversification of incomes with off-farm employment in addition to other revenues and remunerations has become the most important income source of agricultural holdings. Off-farm employment and off-farm incomes play a crucial role for survival and provide funds for investments, including the education of children (Knific, 2013; Bojnec and Fertő, 2013).

Strategies of agricultural holdings and family household farming objectives are focusing on preserving family tradition and survival of agricultural holding. Diversification of incomes with non-agricultural employment is inevitable for survival of most of agricultural holdings, but income diversification with off-farm employment depends on the age and education of agricultural holding members (Bojnec and Dries, 2005; Knific, 2013). Diversification of incomes with supplementary activity and thus on-agricultural holding non-agricultural employment is more in favour by the younger members with vocational or secondary employment, while those with a university education give priority to off-farm employment. A

head of agricultural holding is often most engaged in maintaining of agricultural production as a crucial labour force and management of agricultural holding for agricultural activity and transfer of agricultural holding to a successor (Knific, 2013). Abandonment of agricultural production on agricultural holding is most likely at a stage of transfer of farm to a successor, especially if non-agricultural self-employment on-agricultural holding and off-farm incomes are ensuring the economic survival and if the farm is economically too small to be able to ensure incomes for at least one of the agricultural holding members.

Finally, in the EU member states, including in Slovenia, the EU agricultural holding typology has been developed as the methodology to simplify, harmonise and standardise in homogeneous way cross-country farm data comparability. This agricultural holding typology is used by the Farm Accountancy Data Network (FADN) (Eurostat, 2012), censuses of agricultural holdings (Farm Structure Survey, FSS) and the statistical offices in the EU member states. Farm structures are different between the EU member states (Eurostat, 2016b).

In Slovenia the FADN has started since the mid-1990s, but a reliable FADN dataset at a farm level have been available since 2004 when Slovenia entered in the EU. The EU agricultural holding typology has been also used by two censuses of agricultural holdings in 2000 and 2010. The EU agricultural holding or farm typology as a uniform classification of agricultural holdings in the EU classified farms by type of farming classification of agricultural production and economic size classes of the agricultural holdings in euro. Since 2005 the EU farm typology classification has switched from the calculation of standard gross margins (SGM in economic size units, ESU = 1,200 euro) to standard output (SO) in euro on the agricultural holding, which includes new classification variable for the other gainful activities (OGA) that are directly related to the agricultural holding. Therefore, agricultural holdings can be classified also according to the importance of the OGA directly related to the agricultural holding as the share of the OGA turnover in the total turnover of the holding (including direct payments - DPs).

FSS defines pluriactivity as a concept related to farm manager with existence of OGAs for the farmer, activity other than activity relating to farmwork, which is carried out for remuneration such as external employment and setting up of tourism activities. In 2005, 36% of EU-27 family farm managers were engaged in pluriactivity, which is more a specificity of small farms (Barthomeuf, 2008; Eurostat, 2016a).

FSS defines diversification as a concept related to agricultural holding with creation of any gainful activity that do not comprise farm work but are directly related to the agricultural holding, which can be seen in Table 1. In 2005, 12% of EU-27 agricultural holdings or farms are engaged in farm diversification, which depends on farm size and type of farming. Diversification is more widespread on big farms. Processing of farm products is the most widespread diversification activity on 55.8% of farms in EU-27 member states, for example in Italy on 84.0% of farms and in Hungary on 62.7% of farms. In addition, 7.1% of farms with diversification activity in EU-27 member states diversified in tourism, for example in Austria 35% of farms, in Sweden 22.8% of farms and in Slovenia 20.0% (Barthomeuf, 2008; Eurostat, 2016a).

In 2013, in Slovenia were 11,676 family farms with OGAs (Table 1). This means 16% of farms in comparison to less than 5% in 2000. Majority of family farms with OGAs were engaged in sale of wood products. On Slovenian family farms were also important OGAs connected with food processing, farm tourism, wood processing, public utility services, fruit

and vegetable processing, meat processing, milk processing, agricultural and forestry services for others, handicraft, renewable energy production, aquaculture, and other activities on family farms.

Table 1. Other gainful activities on family farms in Slovenia

| | Number of holdings | | | | | |
|---|--------------------|-------|-------|-------|--------|--------|
| | 2000 | 2003 | 2005 | 2007 | 2010 | 2013 |
| Total | 3,987 | 2,867 | 3,146 | 3,116 | 12,517 | 11,676 |
| Meat processing | 221 | 101 | 189 | 68 | 155 | 337 |
| Milk processing | 247 | 115 | 185 | 129 | 242 | 241 |
| Fruit and vegetable processing | 394 | 354 | 390 | 525 | 502 | 342 |
| Other activities connected with food processing | 172 | 104 | 200 | 219 | 1,637 | 1,135 |
| Wood processing | 699 | 508 | 449 | 398 | 513 | 520 |
| Agricultural services (for others) | 750 | 905 | 796 | 689 | 310 | 262 |
| Farm tourism | 692 | 675 | 628 | 655 | 642 | 726 |
| Handicraft | 268 | 130 | 171 | 165 | 167 | 181 |
| Aquaculture | 75 | 13 | 13 | z | 28 | 61 |
| Forestry services | 200 | 98 | 300 | 360 | 173 | 239 |
| Sale of wood products | 104 | 26 | 80 | 28 | 9,078 | 8,705 |
| Public utility services | 330 | 149 | 297 | 491 | 328 | 391 |
| Renewable energy production | - | 38 | 79 | 58 | 78 | 96 |
| Other | ... | 17 | 16 | 174 | 407 | 81 |

Source: AIS/MAFF (2015, p. 162).

Reforms of CAP of the EU have changed farm subsidies as majority of DPs have been decoupled. Government subsidies have become an important element of farm and agricultural holding incomes in the EU member states (European Commission, 2015). For example, in 2014, the percentage producer support estimate (%PSE), which represents policy transfers to agricultural producers, expressed as a share of gross farm receipts, was 18.1% for the EU-28, 49.5% for Japan and 60.2% for Norway (OECD, 2016). These data sets provide opportunities for further research on various aspects in evolution of agricultural holding and farming developments, including of income diversification of agricultural holdings in the integrated agricultural households and rural development.

Conclusion

This study has aimed to explain the meaning of concepts and historical evolution and co-existence in theoretical and empirical concepts that have lead to the concept of integrated peasant or agricultural holding or rural household economy: first, from part-time farming to pluriactivity and pluriactive households, then to different types of off-farm employment and various drivers of non-farm sources of total family (peasant) income, and finally to an integrated and inclusive rural development and various types of diversification of employment and incomes of agricultural holdings and rural families.

Definitions, concepts and practical experiences of pluriactivity, part-time farming and farm diversification in an integrated and inclusive agricultural and rural household development in contemporary economics differ due to the diversity of agricultural holdings, specific situations in rural areas and thus associated different on- and off-farm employment and income diversification survival strategies in an evolution of integrated and sustainable long-term development. These specific agricultural holdings, rural and economy specific characteristics

can be observed between the countries and evolution in development over time. The diversities between countries and within the country regional diversities, specific and complex agricultural holding and rural characteristics have aimed to be harmonized and standardized by the statistics. In this context have been conceptualized and developed comparable data at least between the EU countries, including for Slovenia with FADN data set, with censuses of agricultural holdings or FSS data sets and with needs of national accounts statistics. The concept of pluriactivity is related to farm manager with the existence of non-farm OGAs for the farmer carried out for remuneration. The concept of farm diversification is related to creation of non-farm work gainful activity directly related to the agricultural holding.

In the case of Slovenia and its territorial and municipal diversity it has been illustrated in the case of Škofjeloška hilly-mountain rural areas the presence of diversity of incomes, which has resulted from pluriactivity of agricultural and rural holdings with part-time farming and farm diversification in an integrated and inclusive rural household development. These patterns in development and outcomes are caused by internal agricultural holding factors and characteristics, and external factors of policy environment with crucial role of subsidy policies for agriculture and rural development (CAP-based policies) and cohesion and regional development funds in the case of the EU countries. The aims and objectives of policy transfers have changed over time and similar can be expected in the future. This brings new context and complexity in risk sharing in an integrated and inclusive rural household development in contemporary economics. Rural economies have become more similar to urban economies in terms of the structure of employment and sources of incomes, particularly in more developed economies, which are at the same time advanced information and communication societies.

A greater dependence of farm and rural economy incomes on various forms of government transfers has become reality in most of developed countries, including in the EU member states. This policy-driven role in mitigating the gap between agricultural, rural and urban household incomes depends on government and citizen willingness to pay for such policy transfers. Thus, it depends on possible agricultural and rural development policy reforms such as the CAP reforms and associated changes in policy transfers. Agricultural and rural development policies can stay important for farm and rural household incomes that are related to remoteness, periphery and depopulation of agricultural and rural areas. This complexity in income sources of agricultural holdings can be one of the reasons that in the contemporary economics co-exists different terms and definitions for phenomena related to the concept of integrated rural economy. Therefore, farm efficiency, government transfers (subsidies) and off-farm sources of incomes will likely to stay important as issues for investigation of the long-term sustainability of the integrated and inclusive agricultural and rural household development in contemporary economics in future.