PIURIACTIVITY AS A
RURAL DEVELOPMENT
OPTION
by
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APPRAISAL OF THE FACTORS WHICH INFLUENCE THE EVOLUTION OF AGRICULTURAL STRUCTURES IN THE COMMUNITY AND CONTRIBUTE TO THE EFFICIENCY OF THE COMMON AGRICULTURAL (STRUCTURAL) POLICY AT THE REGIONAL AND FARM LEVEL

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PLURIACTIVITY AS A RURAL DEVELOPMENT OPTION: THE EMERGING POLICY AND RESEARCH AGENDA[1]

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ABSTRACT
This paper is presented in the form of an exploration. It is based on the recent shifts in European agricultural policy and the prospects for a new form of rural development programme. In this light, we explore the implications for research of a policy which is based, in part, on farm diversification and regional development and we speculate on the related research needs and strategies that are required to consolidate and capitalise on this opportunity for development in rural Europe.

1. This paper was originally prepared for the rural development working group of the E.A.D.I. which met in Amsterdam, September 1987. The authors are grateful to colleagues for helpful comments.
INTRODUCTION

Rural Europe is undergoing an important process of change which reflects the global and national restructuring process resulting from changes in the International division of labour and the world economic crisis. The changes taking place are reflected in important shifts in the areas of economic and social policies.

Post-war European agricultural policy, like many in the world today, had three primary objectives:

- food security (self-sufficiency);

- food production efficiency (to maintain low consumer prices);

- and acceptable levels of farm incomes (to approach 'parity' with general earnings)[2].

The instruments used to achieve these aims were based primarily on price policies and to a much lesser extent on structural programmes. The overall effect has been to achieve the original aims of self-sufficiency and a relatively efficient productive capacity at the European level. Also, although farm incomes have also been raised, the objective of parity with other sectors has not been achieved, and seems increasingly improbable. Technological advances have transformed self-sufficiency into growing surpluses of many commodities which, in turn, have led to escalating costs of agricultural support. Increasingly, these costs support storage, industrial uses, subsidised exports, rather than benefiting farmers in a direct way. Suffice to say that the costs of the Common Agricultural Policy and related questions, are now the predominant policy problem in the EEC. In addition, the environmental impact of intensified systems of production is of increasing concern. Finally, the rapid loss of agricultural labour and the centralisation of food processing, marketing and supply industries has weakened the regional impact of agriculture, and focussed attention on the majority of the rural population who now depend on rural industry or services - or remittances and welfare - for their livelihood.

In consequence, both the rural community at large and farmers and farm families now increasingly depend on rural manufacturing and service industries and activities which have little or nothing to do with agriculture for their future prospects.

REFORM OF THE COMMUNITY'S STRUCTURES POLICY

The Delors proposals, following The Single European Act, ratified in 1987 and amending the Treaty of Rome to speed up European Integration, have recognised these difficulties, and itemise three important adjustments[3]:

1. A Common Agricultural Policy adapted to the world context.

2. A 'Strict Framework' for farm income support.

3. More vigorous Structural Policies conducted through the three Structural Funds.

It is the third proposal that has strong implications for rural and regional development and which is of most interest to us in rural development as it suggests new requirements for research if the policy alternatives and their impacts are to be properly debated and evaluated.

The Community's Structural Policies have both COMPENSATORY and DEVELOPMENT objectives. The development objectives are stressed in the Delors proposals, which state them as follows:-

1. "achieving growth and adaptation in regional economies showing structural backwardness...;

2. converting declining, sometimes devastated, industrial regions, by helping them to develop new activities...;

3. combating long-term unemployment...;

4. integration into employment of young people...;

5. speeding up the adjustment of agricultural production structures and encouraging rural development in line with the European social model, with a view to the reform of the common agricultural policy;"

All of these objectives are relevant to the development of the poorer rural areas of the Community, and it must be anticipated that new EEC funded programmes will reflect these priorities. The Commission has proposed a doubling of the budget (in real terms) for the Structural Funds by 1992[4]. Although Directorate General 22 has been recently established to promote greater co-operation and co-ordination between the three structural funds, the proposals state that the Regional Fund (ERDF) will continue to be mainly responsible for the first two objectives, the Social Fund (ESF) for the third and fourth objectives, and the Agricultural Structures Fund (EAGGF Guidance Section) will have responsibilities for rural development as well as the adaptation and diversification of agricultural production "throughout the regions most affected by the reform of the common agricultural policy." However, the EAGGF Guidance Section will lose its residual responsibilities for rural infrastructure (excepting irrigation) to the ERDF[5].

The INSTRUMENTS of structural policy are also to be reformed around two principal ideas.

1. The 'central plank' will be PROGRAMMES not PROJECTS, with the twin aims of

   - linking the various intervention measures for regional development, employment and agricultural techniques;

   - giving maximum scope for local or regional initiatives, "which are the most effective for investment and employment."

2. Programmes will involve contracts between the Community, the Member States and the regions. They will involve joint preparation, monitoring and assessment, and they will thus lead to a fully-fledged partnership[6].


These aims suggest a preference for devolved, decentralised and integrated local development programmes.

Arrangements for eligibility for structural programmes will take two distinct forms. For the first two objectives (mainly ERDF), GEOGRAPHICAL CRITERIA (so far unspecified) will apply. For the last three objectives, all Member States may apply, irrespective of 'geography'.

The proposals suggest, however, that priority in the allocation of Structural Funds will be given to the least favoured regions, listed as "all of Portugal, Ireland and Greece, and some parts of Spain, the south of Italy, Northern Ireland and the French overseas departments."
RURAL DIVERSIFICATION

A central component of this proposed strategy is diversification as an essential part of both agricultural and rural policy. Taken in its most liberal sense, this means support for all rural activities whether agricultural, agriculture related or non-agricultural. This aspect of the policy recognises the significance of multiple job-holding activities of many farm households in maintaining and improving incomes. Although farm incomes, in general, are still below other average earnings, the difference between farm household income and average household earnings is less marked [7] [8].

This concept of rural diversification has major implications for research and policy. It signals a departure from the long held objective of supporting farm incomes such that whole families can derive an adequate living from full-time agriculture. In essence, it recognises the reality that farm based households can contribute to farming while participating in other remunerative activities in the community. This line of development argues that agricultural development can be achieved without the need for continual increases in farm size. The social reproduction of the farm family can, and very often is, achieved by engagement in the labour market beyond the farm gate, or indeed by utilising farm 'assets' of land and buildings for non-agricultural enterprises.

In practice, the propensity for household members to hold jobs outside agriculture is not entirely linked to small holding or 'survival' situations. Farming, even in areas with 'good' conditions, has already seen a great deal of 'diversification' of labour, land and capital resources[9].

One important question from these observed events is what implications lie ahead for the research community? What is known about farm diversification and regional 'integrated' programmes? As the answer is "very little", then this policy shift signals important opportunities for the research community.


RESEARCH ON FARM PLURIACTIVITY

The prospects and problems for policy of supporting an agriculture in which pluriactivity is a recognised and legitimate feature are not well understood. Practically all previous research on the matter has, until recently, focussed almost entirely on part-time farming [10]. Although some farming situations can be described in this way (the farm resource base is too small to support a full-time operation), the negative connotations associated with part-time farming have led to a dismissal of many research findings, whether positive or negative. Agricultural economists have been to the fore in this regard, concluding that the value of agricultural production from so-called part-time operations was insignificant in most farming areas and therefore worthy of only limited attention[11] [12] [13]. Rural sociologists and geographers have followed suit, assuming that an operator who has another job runs a part-time, and by implication, a second class operation, when in fact many such farms are operated fully (and efficiently) by a combination of other labour resources (family, household, group farm members) or labour saving arrangements. Little in the way of macro-level policy advice has come forward from previous research as studies of part-time farming have been dismissed as either misleading or trivial.


12. Harrison, A. (1975) Farmers and Farm Businesses in England, University of Reading, Department of Agricultural Economics and Management, Miscellaneous Study '62


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The paucity of good research on this subject has been compounded by an image among farm organisations, agricultural commentators and agronomists that part-time farming has a second class status, unworthy of the term 'farming'. Such images - and concomitant failure to recognise its growth and diffusion - have been strongest in North America where the 'family farm' concept of agricultural structure has been held most dear[14]. Family farms, it is felt, should be independently viable and, although it is accepted that family members 'help out' on the farm, the labour substitution function of household members has never been taken seriously. Recently, some emphasis in research has been placed on the farm family and it is in this context that questions of household roles and incomes, as well as viability have become more central and exacting. It is now fairly certain, for example, that non-farm incomes outweigh farm incomes in the majority of farm households in industrialised societies.

In Europe, even though the family farm concept is not so singularly based on the expectation of economic viability, almost all EEC structural policies as well as the national agricultural policies of member states have had a concept of "agricultural viability" as their goal and many farmers' organisations have also held this position[15][16].

In reality however, the family holding is usually more than an agricultural unit. Family holdings are invested with cultural as well as economic values which carry with them rights, expectations and responsibilities. The propensity of households to reproduce themselves, 'to manage' the holding through numerous cycles of family development as well as external changes, has invested many European farming structures with a tenacity and flexibility to endure. In this context, farm household members seeking off-farm work are not necessarily seen as failures or dilettantes, but as individuals exercising choice, pursuing careers, or simply earning extra income. On the other hand, for some households the small scale of their holding requires off-farm supplemental income if local living standards are to be maintained, in which case necessity rather than free choice is the driving force.

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There are historically rooted, culturally ingrained and well-honed elements of pluriactivity in European farming.

Despite - or perhaps because of - this variable level of political and academic acceptability, pluriactive farm households are not well understood either from the collective (macro) view of policy or from the individual perspective (micro) of farm household behaviour. Research is therefore required that will fill some of these gaps in our knowledge.

As a starting point, it seems vital to identify the circumstances in which farm based diversification contributes directly and indirectly to individual, household and community well-being in Europe. This can best be done by analysing positive examples. The historical conditions and current socio-economic circumstances of situations (individual and collective) which are considered to be positive should be examined and compared to establish common patterns of experience such that the prospects and problems of farm-based and off-farm development can be better understood.

The role of pluriactivity in the family cycle, its effect on inheritance (eg. the settling of family land disputes,) its liberating or exploitative effects on women and its contribution to local 'symbiotic' economies such as tourism and forestry require close examination. From the regional perspective the role of pluriactivity in processes of diffused industrial development require special attention. Pluriactivity and the 'diffusion' of industrial and service activities are very closely related phenomena. We need to understand when and how the traditional forces of agglomeration and concentration are turned on their head.

Of concern also is the use made of capital generated by pluriactivity. Whether family farming gains capital from off-farm incomes or vice-versa has yet to be fully determined. Equally important is the question of whether pluriactive farm households decrease the intensity of land-use or if more sustainable systems of farming are devised to accommodate the use of available resources. The prospects for environmental improvements, economic benefits, income stability and social development are theoretically very high. A programme of research is required to systematically answer some of these queries and to formulate methods by which diversification can serve as the 'springboard' of local based development.

A current European research programme organised by the Arkleton Trust will lay the basis for answering at least some of these questions. Designed as a longitudinal study (1987-1991) of around 7,000 farm households, it will enable us to track certain aspects of change in response to social, economic, policy and environmental influences. As there are 24 study areas representing different rural conditions in 12
countries of western Europe, there will be many opportunities to examine the local area response to shifts in agriculture and development policy and planning[17].

Last, but not least, on the research agenda is the opportunity to examine the training and general support needs of households and communities actively engaged in promoting multiple job-holding. Questions of appropriate planning controls, credit incentives, manpower training and support services that are appropriate for remote and disadvantaged rural areas need to be answered in the context of indigenous systems of power and resources. Such benefits should not be assumed, but measured carefully and evaluated to assist co-ordination and management of development in the remote rural areas of Europe.

The second, more regional scale of development opportunity is that provided under the Delors proposals for regional development which envisages a more concentrated attack on regional problems in declining industrial regions and regions suffering from serious structural underdevelopment, some of which are essentially rural in nature.

If this takes place, then greater regional resources will be directed at programmes in selected rural areas. The development, content and implementation of such programmes, especially the involvement of local people in their formulation and implementation, will be essential. Beyond that one will also be looking for research agendas which inform the prospects for locally based integrated development as opposed to vast infrastructure projects and externally orientated initiatives. Many of the problems which apply to the development of non-agricultural activities for farm households also apply here; eg., how to achieve external and internal economies of scale in diffused production systems, appropriate transport and communications networks, marketing and support structures and organisation, and supporting services in general including education, training and research.

SUMMARY AND RESEARCH QUESTIONS

It is clear that a shift in policy focus is taking place such that, while agriculture remains an important aspect of European policy, there is a growing recognition that agriculture - and farm families - desperately need non-agricultural development in rural areas and some attempt to put new policies in place to address this problem is under way. This will provide the opportunity in the European context, of witnessing the effectiveness of programmes that retain an agricultural

component, but only as part - hopefully an integral part - of a rural development strategy.

Many questions remain and they provide the challenge for the research community. Such questions stem from experience in rural development and may be summarised into three areas or levels of inquiry:

- farm-household strategies;
- local area and meso-scale questions,
- and the global scale and macro level issues.

Farm and Rural Household questions concern the adjustments, strategies and problems of adapting to new programme opportunities in rural areas. Issues of policy consumption, adaptive or pro-active strategies, perceptions of households and individuals, with a particular emphasis throughout on gender issues, seem potentially significant areas of enquiry at the micro (household) scale.

Local area issues are manifold. Here the critical issues concern the ability of local institutions and systems to adjust to new opportunities and constraints and to establish new links, approaches and solutions to local employment and related problems. Issues of literacy, new technologies, communications, entrepreneurship, self-reliance and economies of scale will all affect the restructuring process and could influence new forms of community and local economic development in rural areas. The "local" area is a largely geographical concept. Equally important is the framework of institutions - public, market, associations, etc - between the State or the Super-State and local level. We call this the "meso-level". The relationships between local area and meso level institutions and structural change seem likely to be of considerable importance for the adjustment processes.

Macro level analysis is required to inform local area and meso level enquiries about how things are managed and influenced globally and what new impacts may be expected in the future. For rural economies the effects of biotechnology, the new communications technology, global political and trade relationships and the penetration of multi-national corporations into the food industry are all issues of concern. The local effects of these issues are rarely examined or ever discussed at the local-regional level.

Such are some of the main research questions. To these may be added the need to monitor and evaluate the new programme initiatives for rural development in Europe such that the attempt to broaden the scope of development and to lessen the burden of agriculture can be fully witnessed and understood.
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