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Global Shocks, Changing Agricultural Policy and the Viability of Rural Communities

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Background

Recent global shocks and perceptions of their dimensions – uncertain food stocks, the aftermath of the last financial crisis and the new crisis many are facing now, reconstruction of stable economies, climate change and extreme weather events, energy pricing and shortage – influence state dispositions and priorities regarding agriculture and food production. These developments also impact the future of rural areas. This Special Issue of IJSAF engages with these challenges at several levels in its call for empirical and theoretical articles dealing with the following issues.

First, what are the prospects of a *new international political regime*, where the moral and economic imperatives are turning towards increasing food production, which some authors have described as neo-productivism? Could the environment and rural communities be protected from extreme market fluctuations? What is the ideological and political climate for trying?

Especially within Europe, multifunctional agricultural policies have been designed, in addition to securing food production, to support other outcomes, primarily sustaining rural communities, landscapes, biodiversity and cultural heritage. Within these agricultural policy regimes, multifunctional agriculture has been seen as the industrial backbone of the rural community and the basis for the diversification and development of new rural businesses. Others have criticized such policies for propping up unviable European producers and disadvantaging struggling farmers in developing nations. Policy instruments in Europe and elsewhere have moved towards a decoupling of support away from agricultural production towards rural development, land stewardship and rural housing. The articles in this Special Issue examine some of the effects of multifunctional policies. Will we see a continuing rise of green and/or rural subsidies? What kinds of instruments are viewed as legitimate?

Second, at a different level, *what are the consequences of changing agricultural policy for rural communities?* Is agriculture necessary to sustain rural communities or vice versa? Is agriculture sustainable without rural communities? Changing conditions for agriculture require new and innovative ways of creating a rural livelihood for those who want to live a rural lifestyle, and for those that do not have any other alternatives. What are the preconditions for the sustainability, and/or creation, of

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rural diversity? Do existing regulations and property structures enable new rural development?

The third level is related to the situation for rural populations under *different and changing policy regimes*. This includes aspects of changing industries, recruitment and qualifications necessary to cope with these changes. What are the consequences of major policy regime changes for the overall food production systems, food security and access to land and production means? Who stays, who leaves, and who enters rural areas under shifting policies?

Underlying all these issues is climate change: how policies of different societies are responding to this, and not least how agricultural industries, farmers and rural communities adjust or react to these changes.

The topic of this Special Issue was discussed at the XXIV European Society for Rural Sociology Congress in Crete, 2012, by the Working Group on Global Shocks, Changing Agricultural Policy and the Viability of Rural Communities.

A call for papers was sent to the participants of the working group in addition to an open call to relevant scholars across the world. The articles in this issue represent a mix of working group attendants and other writers. We are pleased to present a broad collection of studies on the relationship between agriculture and local communities under severe changes and global shocks. The studies span the globe, representing different agricultural, political and economic systems, in addition to varying climate conditions for agricultural activities.

Articles in this Issue

Starting in New Zealand where deregulation of agricultural production has caused massive changes in production for farmers. Sheep have been replaced by dairy with support of farmer cooperative Fonterra, which has been very successful in export terms. In the article 'Conversion of Family Farms and Resilience in Southland, New Zealand', Jérémie Forney and Paul V. Stock address what farmers gain and lose with this major transition in production. Converting to dairy, according to Forney and Stock, enables farmers to keep their farming identity and farms to be succeeded into the future. For local communities, conversion to dairy farming has provided economic income and reversal of population loss, leading to improvements in the social and economic sustainability of farming communities. A more negative aspect of this conversion might be the total dominance of dairy production in the communities, and dependence on the future success of Fonterra in the global dairy market. Another increasing issue is environmental and climate change concerns related to this shift. However, at this point such concerns are not perceived universally applicable to all farmers or agricultural systems, just to some 'bad farmers'.

Another, yet different, example from dairy production is presented in Michael Santhanam-Martin and Ruth Nettle's article 'Governing Australia's Dairy Farm Workforce: A New Terrain for Negotiating Rural Community Sustainability'. Santhanam-Martin and Nettle discuss the tensions between neo-liberal policies individualizing ideology and the need for collective/community-oriented approaches to secure continuation and quality in the dairy-industry workforce. They state that 'if the neo-liberalizing project is understood as a work in progress, then the issue of the farm workforce can be seen as another dilemma to be worked through'. The Australian dairy industry faces challenges in securing sustainable production systems, even in major dairy areas such as the state of Victoria. The economic situation

is vulnerable and efforts to increase efficiency and expansion to cut production unit cost are a continuing dogma in the industry. Yet neither sustainable businesses nor local farming communities can develop without recruitment of a skilled and stable workforce. Acknowledging this challenge, Santhanam-Martin and Nettle show that collective actors in agricultural industries, communities and governments can work together to accommodate rural communities' abilities to sustain themselves in a competitive global industry.

In the article 'Crisis? What Crisis? Marginal Farming, Rural Communities and Climate Robustness: The Case of Northern Norway', Hilde Bjørkhaug and Katrina Rønningen illustrate some of these aspects linked to food security and national food production in agriculturally marginal areas, but within a context of a highly subsidized agriculture. Food security and some extent of national food sufficiency forms part of the historical legitimacy behind the Norwegian agricultural policy regime. In more recent years, multifunctional aims linked to cultural landscapes, biodiversity and the role of farms in rural diversification have been stressed in this non-EU member country, as within the EU's Common Agricultural Policy (CAP) and the 'European model of agriculture'. A disastrous year, 2010, saw up to 100% crop losses in the Northern Norway county of Troms, and it revealed the inherent lack of robustness of both the farm economies and the support systems, which were not equipped to meet such exceptional years. Such climate-related disasters may be expected to occur much more frequently in the future. An increase in farm closures followed the 2010 crisis, and the regional production of especially dairy was reduced, with consequences for the sector and its related industries. Northern Norway has, except for grazing resources and a potential for producing very high nutritious and clean products, limited importance in terms of overall contribution to national or international food production. However, with the increased liberalization of Norwegian agricultural policies, ongoing restructuring and farm closures, the authors ask whether reduced food production in areas such as Northern Norway is a problem: does it matter in a risk-preparedness context?

Through their European Union membership, Nordic countries neighbouring Norway have policy instruments oriented differently towards agriculture and rural communities. In their article 'The Rural under the Common Agricultural Policy of the European Union: Sustainable Rural Development Aspects of Pillar II in Finland and Estonia', Michael Kull, Olli Voutilainen, Stamatios Christopoulos and Ramon Reimets compare how Finland and Estonia have adapted to and made EU policies and instruments available for improvements of the socio-cultural and environmental situations in their respective rural communities. The analysis in this article presents major differences in how individual countries such as Finland and Estonia accomplish funding for environmental support measures: 'Finland exhibits an unprecedented coverage of areas under environmental support measures, as a Pillar-II component, while implementation of the same policy in Estonia results currently in the coverage of less than half of the potential areas.' The imbalances between the two countries in terms of actual financial support per hectare are also considerable. Thus, the Common Agricultural Policy (CAP) visions of equal opportunities may be said not to have been fulfilled. While large agricultural areas in Finland receive environmental support under Pillar II (rural development), Kull et al. find that agri-environmental considerations in production are lacking in claims for Pillar I (direct payments). In its current design, the allocation of funds from CAP does not reflect, according to Kull el al., the local and territorial needs to secure better sustainability

in future development of these areas. The authors further state that future allocations of funds should incorporate equality and improvement opportunities also to strengthen trust in the EU institutions.

CAP policy is also the focus in Tanja Mölders's article 'Multifunctional Agricultural Policies: Pathways towards Sustainable Rural Development?' Mölders presents a content and concept analysis of multifunctionality in CAP policy in the context of global shocks. In order to be able to analyse how multifunctional agricultural policies are able to promote sustainable rural development, Mölders argues that sustainable development 'asks for sustainable economies that preserve and regenerate society's ecological and social functions'. This also calls for solutions that are able to integrate sometimes different and contradictory goals. Based on her analysis, Mölders offers two interpretations of multifunctional agricultural policies. 'Adaptation' sees multifunctional agricultural policies from a critical perspective, and argues that the economic mechanisms and strategies that have led to the crises in rural areas are reproduced rather than reflected upon. 'Transformation' introduces a visionary perspective in its argument that multifunctional agricultural policies lead to a changed and extended perspective, so that (re)productive economies can be developed and established, and a transformation process initiated towards sustainable rural development. In this latter interpretation, scientists, politicians and local actors can question and challenge traditional certainties and work together for increased robustness facing global shocks in rural areas.

Zemfira Kalugina describes in her article 'Agricultural Policy in Russia: Global Challenges and the Viability of Rural Communities', post-Soviet agricultural transformations, adaptations and effects, and describes what she terms as 'institutional traps'. The main focus is on the small-farm trap: of permanent unprofitability and of lowering wages and poverty amongst the rural population. The economic reforms during the 1990s were intended to radically transform Russia's agrarian sector. These included a reorganization of collectively owned farms, land reforms, and support for the private sector. Land was divided and formed the basis of start-up capital for business development on a cooperative or individual basis. Radical changes in ownership patterns were assumed to lead to an efficient allocation of land and other means of production, and would promote the development of private entrepreneurship in agriculture and in its services. Administrative restrictions on developing household plots were lifted, and agricultural subsidies reduced significantly. Kalugina finds that the reforms have not only failed to achieve what they intended, but have in some sense 'turned back the clock'. Instead of modernizing agricultural production through privatization, they have contributed to an increase in small-scale production relying heavily on manual family labour, and socio-economic marginalization of people living in rural areas. Negative effects are in particular reduced overall productivity, a drastic reduction of agricultural output, and a significant increase in imports of agricultural products. Small-scale, privatized farming has not filled successfully the space left by the collective farms. Kalugina argues that a major reason for this failure is that the model of agrarian relations imposed from above has taken into account neither traditions and historical experiences, nor the symbiotic relationship between collective and individual farming in Russia.

Contrary to the development in Russian policy, agrarian movements and national governments such as Venezuela have used food sovereignty as a call for a new model of agriculture, expressed as explicitly anti neo-liberal. In 'A Twenty-first Century Socialist Agriculture? Land Reform, Food Sovereignty and Peasant State Dynam-

ics in Venezuela', Daniel Lavelle describes aspects of the Venezuelan land reform. As a self-proclaimed socialist state, the Chavez Government framed its agrarian policies to prioritize land redistribution, smallholder agriculture, and sustainable forms of production. Yet, rural dynamics have been characterized by conflict over land, and land occupation has been seen as an attack on private property. The article investigates the dynamics of technically illegal peasant occupation of estates in a seemingly 'pro-peasant' policy context. By rationalizing occupation in terms of what constituted 'appropriate' production within Venezuela's Bolivarian agricultural programme, campesinos contested the meaning of production within a project framed in terms of food sovereignty. While campesinos refer to Chavez and the constitution, which legally and rhetorically have encouraged land occupation, campesinos occupying land have been chased and also killed, and killings have not been prosecuted. State-led agrarian development in Venezuela is now moving towards a largely productionist model, where food production and supply concerns capture increasingly large shares of resources and policy attention. State-driven, large-scale agriculture projects, green revolution research and development, and policies that bolster the commercial agriculture sector may be increasingly more central to agriculture policy. A more marginalized peasantry in terms of resource control and policy influence could see the potential for food sovereignty to devolve into food self-sufficiency, Lavelle suggests.

Implications of the Special Issue

The articles in this special issue represent experiences and analyses of cases from very different policy regimes across the world. All of them do, however, illustrate aspects of various shocks to agricultural systems, including financial crises, climate change and challenges related to neo-liberalization of agriculture and food production, and changing ideologies and policies for agriculture and rural communities. It seems that a common denominator for all these cases is the failing ability or willingness of current polices to incorporate sufficiently local and territorial particularities and needs to enhance development in rural areas.

In Europe, the design of the means for rural development policy is closely connected to agricultural activities. Future needs for the sustainability of rural communities might call for policy and support for the development of activities that are less connected to this. However, in a food security or risk-preparedness context, viable rural communities with a certain level of food production 'all over the country', which has been a Norwegian slogan, may still be of relevance for future strategies and policies.

One experience from the failing market reforms of post-Soviet Russia is how local, rural people may return to self-sufficiency strategies, subsistence agriculture, and extreme pluriactivity as part of an informal economy in a time of increasing rural poverty, not furthering a positive, sustainable development. While the failure of socialist reforms in Venezuela and the campesinos' struggle for food sovereignty might give way to more productivist approaches, self-sufficiency strategies may well be the remaining strategy for the rural poor.

Challenges regarding the 'fair distribution' of production means are extremely obvious both in Russia and Venezuela. At the same time, possibilities linked to green box and agri-environmental schemes are not (fully) utilized by recent WTO-member Russia, nor EU-member Estonia. At the other end of the scale, Norway is facing chal-

lenges to meet its own highly ambitious multifunctional objectives. The Norwegian model, which for a long time was designed to protect local communities, is being decomposed gradually in an increasingly neo-liberal and neo-productivist mode, implying strong structural changes and inadequate agricultural support. In this new regime, food security and food production are based on expectations of efficiency in production through increased dependency on imported feed and input factors and less use of locally based resources. This might be a high-risk development in uncertain global financial and energy markets.

By implication, nation-state policies and international foras and organizations such as WTO, OECD and FAO need to incorporate policies and strategies that include food security and risk-avoidance perspectives, taking into account territorial aspects and challenges. Agriculture is special as it is such a place-based economic activity. The articles in this Special Issue point to intended but also major unintended consequences of policy programmes and reforms for local agricultural communities. The researchers in this special issue call for visionary policy models that incorporate collective solutions at the regional and local levels, where communities, industry, politicians and scientists can contribute to developing more sustainable and robust rural communities that can cope with global shocks.