

Workshop 3: Pathways for semi-subsistence farming:
Integration in to the food chain, diversification

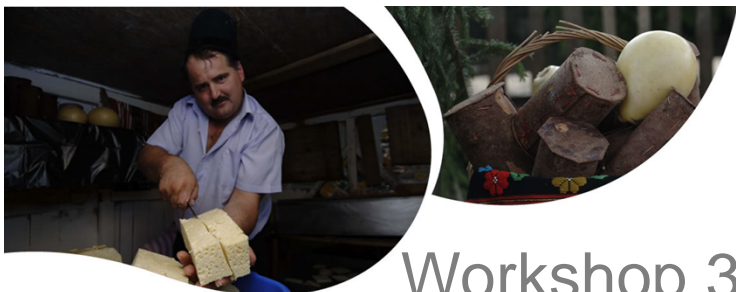
Semi-subsistence pathways in the EU-15 experience

Seminar “Semi-subsistence farming in the
EU: current situation and future prospects”

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Contact Point of the European Network for Rural Development
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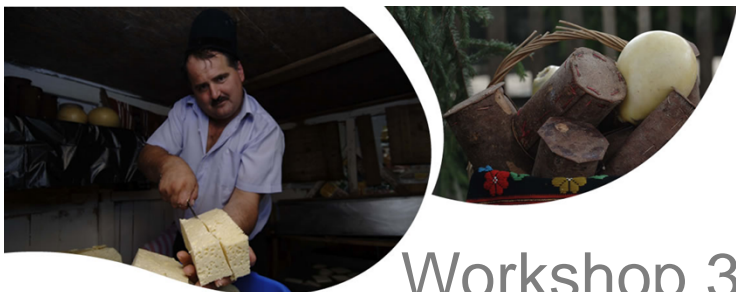


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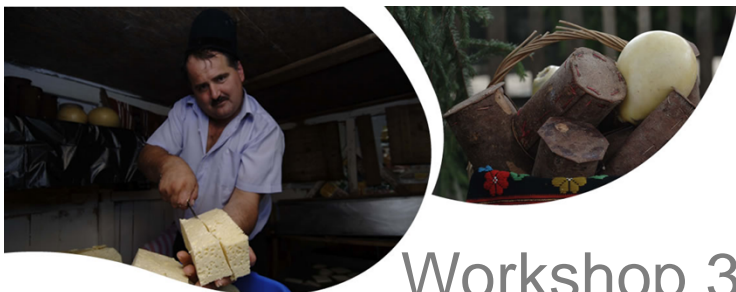


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An English story: John's return

- John's grandfather was a sharecropper in a large estate in Northern England (1900's); works with his family: he doesn't want his children to lead his life
- John's father leaves the farm at 18, finds a job in Leeds, in a textile factory
- John works as a truck-driver for a big company, in the 70's he is laid off, he then rents a small farm in the South-East, keeps horses, offers hospitality, provides taxi-services for the rural community.



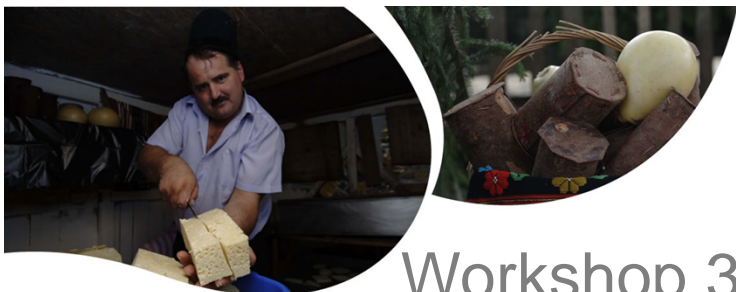


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An Italian story: Elvina's farm

- Elvina's grand-father leased land from the local landlord in the 1890's, migrates, buys 3 has of hill land with savings (> subsistence, <market);
- Elvina's father inherits 1.5 has and part of the house; migrates and buys another 3 has (subsistence);
- Elvina marries a mechanic employed in a local factory; father dies and she takes over farm & house, rents more land, increases farm operations, joins farm organization (<subsistence, >market, salary);
- Elvina's husband dies, she takes an off-farm job, children help with farm work, study, set up a mechanic repair shop nearby; farm operations are reduced (same).
- She is now 65, has retired, works on farm. Children married and live nearby. She says she will never sell her land (subsistence, < market, pension).



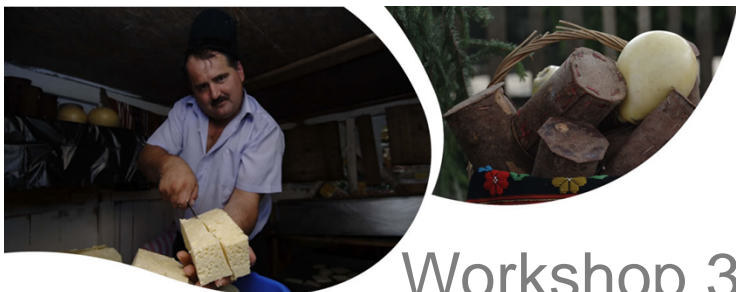


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What do these stories tell us?

- SSF pathways are about families trying to get out of poverty: the farm is part of this strategy
- Small scale farming and family cycles are closely interconnected
- Exits may be temporary: from the market, from farming, from subsistence, from the area
- SSFs follow a “modernization” of their own
- A single SSF can do very little on its own: cooperation is crucial





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The two pathways of the EU-15

- The two stories refer to two quite different “models” of development:
 - One more typical of early development countries (Northern Europe): SFs abandoned farming and rural areas, only recently returned, new forms of SFs
 - The other more typical of late development countries (Southern Europe): SFs access land and local jobs, slow evolution

The two models have had very different impacts on rural areas

In both cases some SSFs evolved into big commercial farms

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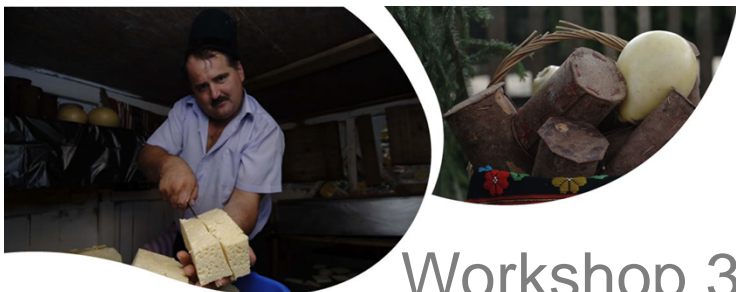


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Factors influencing pathways

- SSFs evolution needs to be assessed in the long-term, there are “patterns” and “stages”, subsistence and market weight change over time, not linear;
- Demographic pressure on land is a key factor, typical of pre-industrial economies, a low consumption equilibrium;
- Ownership of land, security of tenure, reduce the propensity to exit from farming and from the rural area;
- Diversification of the rural economy influences the “modernization” of SSFs, while urban exogenous growth facilitates exit strategies (from farm and area);
- A SSF is not an isolated individual feature, but a form of social organization, a safety net.



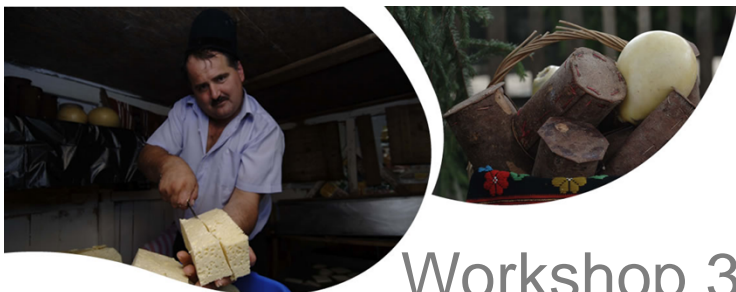


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Can we generalize from the experience of the EU-15?

- Of course not, contexts and times change and matter:
 - Land access,
 - Concentration or diffusion of industries and services,
 - Urban congestion and desirable lifestyles, amenities,
 - Accessibility,
 - Times of boom and crisis
- Migration and saving propensity, family solidarity, contribute to capital accumulation and exit from subsistence need
- SFs in the EU today are less likely to be poor due to pluriactive and farm diversification arrangements



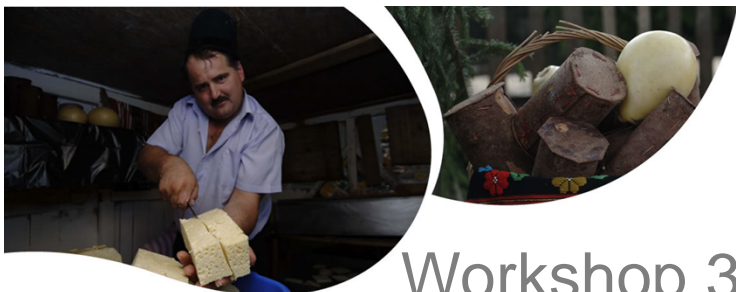


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What role did policies play in the past for SSFs?

- Most MS with a strong presence of SSFs in the past (1900-1970s) had two types of farm policy: one more economic, for larger farms (national & EU), the other more “social” for SSFs/SFs (mostly national and late developed countries)
- Examples of “social” farm policy:
 - SF inclusion in membership of farm organizations and associations
 - Agricultural schools and technical assistance also for SFs
 - A legal framework for land tenure security and low-cost credit
 - Cooperatives for the provision of inputs, use of machinery, collective processing and marketing; quality standards;
 - Simplified fiscal and accounting procedures
 - Payments in case of natural hazards
 - Local political clientele
 - Policy packages for attracting industries and SMEs to rural areas
- As SSFs evolved, “social” farm policies were dismantled



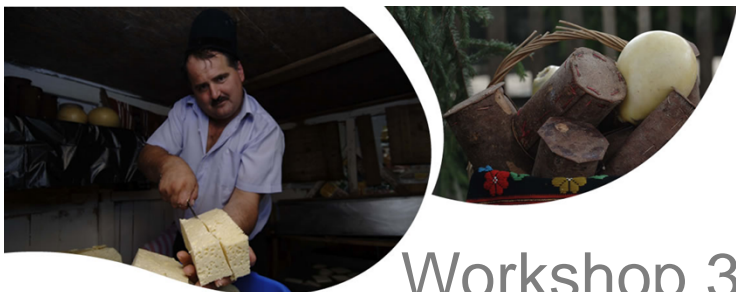


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Role of policies (cont.): EU policies

- On the whole CAP was not designed to support SSFs but to promote the modernization of farms and provide income support for professional farms (based on early development countries experience): from this perspective it favoured exit strategies, not diversification or restructuring;
- SSFs benefited from high prices as everybody else but were excluded from farm structural measures (modernization, young farmers, early retirement, producer groups), delivery procedures were considered too complex by SSFs
- SSFs benefited from LFAs payments (most diffused measure)
- The Leader approach, with its local, adapted, collective approach, contributed often to generate both farm income and employment on-farm & off-farm, for SSFs;
- As CAP developed there are in principle more diversified tools which recognize the needs of SSFs (quality, producer's groups, training, environmental measures, diversification and quality of life) however, MS and regions often restrict small farms' access to some measures;
- As the two stories show, SSFs policy needs are varied and may change over time with changing farm-family strategies



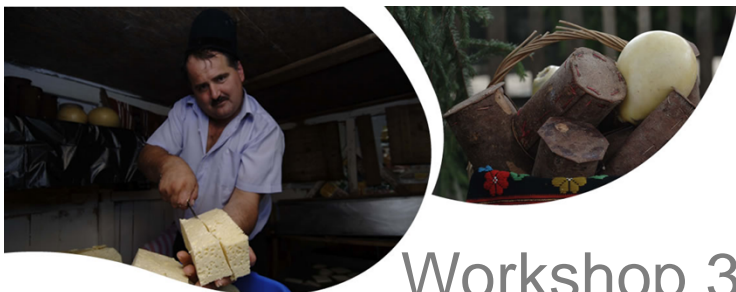


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How relevant is this experience for NMS?

- All pre-industrial economies were/are characterized by widespread SSFs (peasant farming) providing the means of subsistence for the majority of the population (up to 90%), with very different tenure and income arrangements: this is not a new feature;
- The fact that SSFs were created after the downfall of the iron curtain, with a social safety net function, following the failure of large state cooperatives is however a new feature which may influence CEECs pathway;
- The experience of late development countries, with their “social farming” policies may offer a useful reference;
- The safety net function of SSFs may work in a counter-cyclical way, in times of crisis, and may be useful in current one (endogenous growth);
- Collective & associative solutions may be tried again and expanded
- Environmental functions of SSFs, underestimated in past experience, could play a much bigger role today





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Some conclusions

- SSFs follow different pathways: policies may offer alternative packages according to farm-families preferences, or may support some pathways more than others; the experience of EU-15 is relevant;
- SSFs do not necessarily disappear with modernization and economic development, they evolve, come back during crises, their role may expand and contract over time;
- SSFs policies should not deal with only farm aspects but with wider rural development tools, as well as national policies (social & welfare policy, migration, land tenure..), integration & coordination are important;
- Local development approaches allow for adapted and flexible responses to SSFs needs, collective responses that improve market opportunities, economies of scale and diversification

