



The socio-economic benefits of environmental public goods

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Socio-economic benefits of environmental public goods

- A range of social and economic benefits depend, partly or wholly, on the existence of environmental public goods provided through agriculture.
- Environmental public goods provided through agriculture can play an important role in:
 - shaping rural areas, by enhancing biodiversity, landscape and other environmental assets; and
 - underpinning important social and cultural traditions associated with land management and associated farm products.
- This can make rural areas more attractive as a place to live, stimulating economic activity, contributing to the vitality of these areas and improving the quality of life of those who live and visit there.



Indirect socio-economic impacts of rural development measures

- Rural development measures, whose prime objective is to deliver environmental public goods, therefore, also help to provide a strong basis for additional socio-economic activity – for example, the agri-environment measure
- Limited empirical evidence or literature exists on the scale of these additional benefits leading to a reliance on anecdotal information
- Quantified information tends to be found mainly in countries such as the UK – ‘early adopters’ of environmental land management payments.

Types of socio-economic benefits provided

Incentives provided through rural development measures for the delivery of environmental benefits can also lead to:

- Increased opportunities for **tourism** to the local area/region
- Changes in **employment** opportunities both on and off the farm
- Opportunities for **adding value to food/other products**
- The maintenance of traditional agricultural **skills** or the development of new skills
- **Investment** being attracted to the local area, providing increased employment opportunities for local people
- **Impacts on population levels** in rural areas - slowing down outmigration
- Benefits for **cultural heritage**
- An **income stabilisation effect** – guaranteed payments for carrying out certain management over a set period of time



Economic and employment benefits

Economic and employment effects can be identified:

- **Directly** as a result of scheme payments (mainly identified in relation to agri-environment payments)
- **Indirectly** as a result of the very existence of attractive landscapes, farmland biodiversity or historical features – the maintenance or enhancement of which may be supported through RD measures



Economic and Employment Effects of AE Payments

Multiplier effect of Environmental Stewardship (England)

- 80% of expenditure by beneficiaries occurs locally (within 40 minutes drive)
- 45% of purchases by contractors, suppliers and advisors is sourced locally.
- For every £1 scheme payment, 26p is generated off farm in the local economy (£64.7million in 2009).
- 665 full time equivalent jobs created from 2005-2009, 530 of which have been generated through direct employment of farm workers, contractors or advisers – equivalent to 0.015 FTE jobs per agreement
- Higher Level Stewardship (highly targeted, involving capital expenditure) has a much greater effect than Entry Level Stewardship.





Agri-Environment schemes underpinning the development of new markets

A large, remote LFA livestock farm - 1,400 ha in the North West of England, entirely dependent on agricultural income, using casual and contract labour at peak times.

Agri-environment agreement – includes management options for dry-stone walls, hedgerows, woodland restoration, in-field trees, traditional farm buildings and the management of archaeological features on grassland. An important feature of the contract is the maintenance and restoration of parts of the farm's rough grazing and moorland, including the seasonal removal of livestock and the reseeded of depleted moorland habitat.

Major changes have been needed to the farming system to comply with the agri-environment requirements:

- Sheep numbers were reduced to relieve grazing pressure on the moorland;
- Introduction of more complex livestock management - they have to be moved around the farm more, some are in-wintered, lambing is indoors, instead of staying out all year.

For every £1 of scheme payment, £3.70 ends up in local economy through the use of a local contractor.

Management options involving capital expenditure have helped the business to develop expertise in habitat restoration and resource protection techniques. The company has created at least 10 new jobs in the local area as a result of the Environmental Stewardship schemes



Employment and landscape benefits of traditional viticulture in the Aegean

- Vines on Santorini are pruned in a distinctive way to encourage them to twine around in a basket / conical shape called a stefani. This preserves the moisture and protects the vines from strong winds on treeless slopes.
- An agri-environment scheme was introduced to provide payments to compensate for the income foregone and additional costs of pruning in this way, and to encourage the restoration of terraces, bushes and trees around fields to keep the quality of the wine cultivation going.



- Payments of €1,525 per hectare enable farmers to continue traditional, labour intensive pruning techniques, keeping the quality of wine production as well as providing local employment and a distinctive landscape for visitors
- High demand – 50% vineyards signed up to scheme in 1st two years

Tourism and added-value products

- Attractive landscapes, often of High Nature Value, maintained through extensive farming practices encourage tourism
- Farmland biodiversity in its own right can also attract tourism although the benefits of tourism do not necessarily accrue to the farmers producing the environmental benefit
- Environmentally sustainable production methods can allow products to be differentiated and a premium price attached
- Very few of these sorts of economic impacts have been quantified





Auvergne: Route des Fromages

This initiative consists of a network of 40 PDO farms, dairies and cheese maturers, organised along a touristic route. It is voluntary to join the network, but membership requires compliance with a menu of prescriptions, such as clean access to the farm, proper integration of farm buildings into the surrounding landscape, on-farm visits, etc.

Agri-environment, and other RD measures provide payments for farmers that encourage management in keeping with the initiative's requirements.

Benefits include:

- Provision of public goods such as maintenance of landscape and landscape features, biodiversity, soil and water quality
- Enhanced tourism, benefiting to the local economies
- Better prices for products (higher prices for farmers belonging to the "Cheese Route" - e.g. +€2.56 per Saint Nectaire PDO cheese, in 2007).





Scotland: Agri-environment payments are available to compensate farmers for damage to grazing land and crops by overwintering geese, which in turn attract tourists. Research has shown that bird watchers and goose shooters spent an average of £5.4 million/year in local economies around goose sites, of which about £3.6 million is attributable to the presence of the geese. 100 FTE jobs are also supported, 53 related to inland goose shooting, 42 related to goose watching and 5 related to coastal wildfowling.



Rhön: the Rhönschaf, a rare breed of sheep, is associated with the landscape and high biodiversity value of the Rhön area, popular with tourists. Marketing it as a culinary trademark of the area has allowed it to be brought back from the brink of extinction. Sheep numbers are now increasing and it has also enhanced the local cultural identity of the region.





Improving social and human capital

Evidence from the **UK**, **NL** and **PL** has shown that agri-environment schemes can have a positive impact on increasing human and social capital:

- Increasing skills and knowledge relating to environmental management – which can also be applied to non-agreement land
- Building networks and contacts between scheme agreement holders through cooperatives, specific interest groups (i.e. organic), newsletters, advice and training events, such as farmer meetings/farm walks etc.
- Building networks and contacts between farmers and the wider rural community – through use of farms for educational visits, on farm sale of agricultural products, diversification into tourist accommodation and even the rehabilitation of prisoners





Poland: *Black Sheep – condemned to nature protection*

This innovative 2007-08 project in Lower Silesia combined social rehabilitation with farming and nature conservation. It involved convicts from Wolow Penitentiary, prison officers and farmers from the Barycz Valley.

The aim was to prepare convicts for employment after their release and included training in agri-environment management, using agri-environment funding for rare breeds as part of the funding for a training programme.



A total of 650 convicts learnt about the breeding of Wrzosówka sheep, through working on an agricultural holding as well as learning about the principles of animal welfare and basic sanitary procedures important for keeping a herd in good condition.



Conclusions

- It is clear that a healthy, attractive environment can also provide socio-economic benefits.
- There is evidence to show that rural development measures, which are focused on the delivery of environmental outcomes, can also have indirect socio-economic impacts – both directly and indirectly - by stimulating employment, tourism, the production of added value products as well as through building capacity amongst farmers and other local actors.
- This in turn helps to support rural vitality
- However, there is very little empirical information to quantify these effects and the availability of literature is also variable - this is an area that warrants further investigation.





Thank you for your attention

