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Cease agricultural activity forever? Underestimating the importance of symbolic capital

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ABSTRACT

Similar to what is occurring on a global scale, Irish agriculture is populated by an older generation of farmers. Consequently, intergenerational family farm transfer is increasingly viewed as crucial to the survival, continuity and future sustainability of the family farm and agricultural sector. A review of existing research highlights how financial incentives that encourage succession and retirement from farming have stimulated little change in the behavioural intentions and attitudes amongst elderly farmers. Drawing on two previously disparate literature (transferring the family firm and transferring the family farm) and applying Pierre Bourdieu's concept of symbolic capital as a theoretical framework, this paper sets aside financial enticements and presents an insightful, nuanced analysis of the human factors that influence the process of transferring the family farm from the perspective of the senior generation. This research employs a multi-method triangulation design, consisting of self-administered questionnaires in conjunction with complimentary Problem-Centred Interviews, to acquire data on the complex psychodynamic and sociodynamic emotions involved in the process. The prominent themes to emerge from the empirical data are farmer's concerns regarding potential loss of identity, status and control upon transferring management and ownership of the family farm and retiring. Many older farmers appear to prioritise the building and maintenance of their personal accumulation of symbolic capital rather than ceasing agricultural activity. The paper concludes by suggesting that future policies and programmes encouraging family farm transfer must take into account the pervasiveness of symbolic capital and work within this structure to develop effective strategies that addresses the emotional well-being of elderly farmers.

1. Introduction

Interest in intergenerational family farm transfer and its impact on the farming economy has grown considerably amid concerns about the sustainability of an ageing farming population (Ingram and Kirwan, 2011). Global demographic trends reveal an inversion of the age pyramid with those aged 65 years and over constituting the fastest growing sector of the farming community. In Europe, preliminary results from Eurostat's most recent Farm Structure Survey indicate that 6% of farmers were aged 35 and under in 2013, while over 55% were aged 55 and older (European Commission, 2013; European Commission, 2015). The situation in the Republic of Ireland is closely analogous to that of its European counterparts; in 2010, only 6.2% of Irish landowners were under 35 years of age whilst 51.4% were over 55 years old (CSO, 2012). Between 2000 and 2010, those over 65 years increased by 31%, while those within the 55 to 65 age bracket increased by 26%, with a 52.8% reduction in the amount of farmers aged less than 35 years recorded (ibid). This 'greying' of the agricultural community, will see the number of aging farmers facing farm transfer accelerate in the coming decades (Mishra and El-Osta, 2007), a situation meriting serious and timely investigation.

Intergenerational farm transfer is a multifaceted process that encompasses three distinct but interrelated processes: succession, inheritance and retirement (Gasson and Errington, 1993). Succession is viewed as managerial control which is gradually relinquished; retirement is associated with the owner withdrawing from active participation in the business of the farm, while inheritance is the final stage when all of the business assets are legally transferred to the successor (Errington, 2002). Whilst conceptually

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separate, these processes are linked, with succession seen as the 'mirror image' of retirement; as the new generation succeeds, the old generation retires (Gasson and Errington, 1993; Errington and Lobley, 2002; Uchiyama et al., 2008; Lobley, 2010). The terms 'succession' and 'retirement' will thus be used interchangeably throughout this paper.

Intergenerational family farm transfer is a complex and highly topical issue both in terms of society and farm sustainability. A low rate of entry into farming will lead to fewer numbers of farmers and may have profound implications for the industry, the countryside, land use and the broader sustainability of rural communities (Ingram and Kirwan, 2011; Goeller, 2012). Equally, it has been recognised that the 'twin process' of succession and retirement if not addressed adequately can be a period of considerable stress, both emotionally and financially, for family farm households (Burton and Walford, 2005). More broadly, many investigations of intergenerational family farm transfer have limited attention to the lack of successors willing to take over, despite the well documented deep-rooted reluctance by elderly farmers to transfer managerial duties to younger generations and retire from farming (Gasson and Errington, 1993; Kimhi and Lopez, 1997; Gillmor, 1999; Foskey, 2005; Bika, 2007; Lobley et al., 2010; Bogue, 2013; NRN, 2013). The prevailing reason for an aging farming population from census to census is also reported to be the lack of 'new blood' entering the industry (ADAS, 2004; Hennessy and Rehman, 2007; DGIP, 2012; Zagata and Lošťák, 2014). However, despite changes in agricultural support regimes, challenging economic environments and socio-cultural changes in farming, the upsurge in demand from young people for education and training in agriculture in the Republic of Ireland and beyond provides contradictory evidence and indicates a renewed interest in pursuing farming as a career (Teagasc, 2011; Whitehead et al., 2012; Baker, 2012). Therefore, while the successor is undoubtedly a crucial player in the succession and retirement planning process, it is crucial to realise that the successor is not alone in resisting the process. In many cases the older generation also experience difficulties actively engaging in or mobilising the process and as a result often exerts strong pressures to avoid the emotion-laden issues of succession and retirement (Lansberg, 1988). A particular focus of this paper therefore centres upon the notion that older farmer's emotions are not given due consideration (Kirkpatrick, 2013) when discussing the interrelated processes of intergenerational family farm transfer: succession, inheritance and retirement.

Undue emphasis on economic aspects of intergenerational family farm transfer has led to an overly simplified view of the factors influencing the decision-making process. Agricultural policy, designed to assist older farmers to exit farming focuses on encouraging those generating low returns to retire from the industry but these are clearly not designed to deal with the specific issues facing ageing farmers (Rogers et al., 2013). This human dynamic is disregarded with little value placed on the notion that farming is not just a job or something driven by a desire to make money; it is a passion and a lifestyle (ibid). A byzantine mix, whereby the already problematic economic business dimension is further complicated by a more complex emotional aspect. It is naïve therefore of policy makers and practitioners not to consider the potent mass of emotional and psychological values attached to the farming occupation for older farmers 'beyond the economic' (Pile, 1990, p. 147).

To explore this further, family firm literature containing a plethora of research concerning the psychodynamic and sociodynamic factors that influence and hinder the succession and retirement process from the perspective of the senior family business owner and leader, hereafter referred to as the incumbent (e.g. Christensen, 1953; Kets de Vries, 1985; Ward, 1987; Lansberg, 1988; Handler, 1994; Sharma et al., 2001; Kets de Vries, 2003; Sharma et al., 2003; Palliam et al., 2011) will be drawn on. The psychodynamic approach, originally developed by Sigmund Freud in the late 19th century, emphasizes the interplay of unconscious psychological processes in determining human thought, feelings, and behaviour which ultimately shape ones personality (Bernstein et al., 2006). While psychodynamic emotions concern individual's sense of self, sociodynamic emotions are seen as dynamic systems that emerge from the interactions and relationships in which they take place (Mesquita and Boiger, 2014). Of great interest here is that an incumbent's dominant control over the firm makes them adjourn and defer succession and retirement planning 'for lifestyle, psychological, and behavioural reasons' and thereby they often become the most significant barrier to the process (Palliam et al., 2011, p. 27). This paper, in particular, draws on Lansberg (1988) theoretical hypotheses of resistance to succession and retirement planning in the family business from the perspective of the incumbent. According to Lansberg's theory, resistance or at best ambivalence towards the process can be explained by the understanding that succession decisions tend to be emotionally loaded (ibid).

There is however no great depth of research that explores these issues in relation to the family farm business resulting in a clear lack of understanding of the views of elderly farmers, on their concerns, fears, needs and future plans. Drawing on two previously disparate literature (transferring the family firm and family farm), this paper sets aside financial enticements and presents a more nuanced analysis of the factors that influence the unwillingness and reluctance amongst older farmers towards relinquishing management and ownership of the family farm and ultimately begin the process of their retirement (Gillmor, 1999; Bika, 2007; Ingram and Kirwan, 2011). In addition to the policy-related contribution of this study, this paper is theoretically innovative in using Bourdieu's notion of symbolic capital (i.e. resources available to an individual on the basis of esteem, recognition, status, or respect in a particular social setting) (Bourdieu, 1986) to comprehend the human factors governing the behaviour patterns of elderly farmers. Indeed according to Glover (2011), symbolic capital is ideological, relating to a farmer's sense of identity and giving them a 'sense of belonging in society' (p. 9). Therefore instead of focussing on the 'mechanics' of family farm transfer (Price and Conn, 2012), we aim to dissect the role that emotional ties to the farm and farming occupation play on decision-making processes surrounding farm succession and retirement from the older farmer's perspective. Consequently, this paper has global relevance and will be of particular interest to countries like the Republic of Ireland where the age profile of the farming community and the rate of succession and retirement have been matters of concern and unease for decades (Commins, 1973; Commins and Kelleher, 1973; Gillmor, 1999; Bogue, 2013; NRN, 2011, 2013).

The next section reviews the family firm and family farm transfer literature. This is followed by an outline of the theoretical framework adopted and a summary of the methodology employed in the research. Research findings are then discussed with the latter part of the paper drawing some exploratory conclusions.

2. Transferring the family firm and family farm literature review

2.1. 'Greying' of the farming population

The farming community increasingly consists of a farm population with a high age profile. This 'greying' of the farming population has major implications for government policy (Rogers et al., 2013) raising concerns about the need to reinvigorate the