



Farm diversification strategies in northwestern Spain: Factors affecting transitional pathways



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ABSTRACT

The present paper identifies strategies that farmers have undertaken in northwestern Spain, an area characterized by late structural adjustment. For this study, a survey of over 559 farms has been conducted in four areas representative of different specializations and rural situations, from marginal to productive intensification. Farms have been categorized according to social and productive characteristics through a multivariable analysis. Four basic behaviors have been identified and connected with farm types and rural areas using a multiple correspondence analysis. These basic strategies were defined depending on whether investments have been made on farms to increase or intensify production and whether new on- or off-farm diversification activities have been introduced. This analysis allows us to assess transitional pathways for the future and to assume some consequences of farm behavior in connection with structural adjustments. Thus far, empirical evidence shows that the nature and main drivers of the diversification process are different from those in northern European areas. At the same time, a significant level of farm abandonment is registered.

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1. Introduction

Studies on the strategies followed by farms to adapt themselves to agricultural policies and changes in the socioeconomic environment are frequent in the literature on rural restructuring (Shucksmith and Smith, 1991; Marsden et al., 1996; Meert et al., 2005; for a review, see Evans 2009). Although the term “strategy” is not always accepted when farms do not follow a specific plan with an identified target (Crow, 1989), this term has been widely used to define responses to changes in the socioeconomic environment by family farms in western countries. Previous studies suggest different answers and therefore different strategies depending on

the territory (Pfeifer et al., 2009), the type of farm (McNamara and Weiss, 2005; Evans, 2009), the values and attitudes of the farmers (Paniagua Mazorra, 2001; Shucksmith and Herrmann, 2002) and family characteristics, such as the owners’ age (McNamara and Weiss, 2005; Jongeneel et al., 2008) and succession.

In the 1980s, many studies particularly examined pluriactivity and part-time farming (Arkleton Trust, 1985) because these types of activities were increasingly common in an adverse economic environment for family farms. In the 1990s, the development of the theoretical framework of post-productivism as a paradigm that exceeds productivism (Ilbery and Bowler, 1998; Wilson, 2001) focused again on farms’ pluriactivity as a part of a broader concept of diversification. According to Ilbery and Bowler (1998), diversification, both of production and consumption (including activities such as tourism, nature conservation, housing, leisure, traditional products), with dispersion and extensification may be the features that describe post-productivist rural systems. This conceptualization was later enlarged by other authors (Morris and Evans, 1999; Mather et al., 2006; Wilson 2001, 2007).

More recently, Van Der Ploeg et al. (2009) describe and provide empirical evidence of the divergence of paths regarding the patterns followed by European farms, where many but not the majority of them did not follow the way established by the paradigm of agro-

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industrial modernization in terms of concentration, expansion and specialization. This behavior is what Evans (2009: 219) calls “farm business development paths” – in Bowler’s words (1992) – and Evans argues that “the formulation of paths, in particular, provided a convenient way to locate and evaluate the role of pluriactivity on farms within a strategic framework”. Here, pluriactivity includes both “off-farm employment” and “on-farm diversification”, and it should be understood as a strategy between the seeking of a higher presence in markets and a growing marginalization.

In addition, since the reform of structural funds in 1988, European policies on rural development have proposed several measures (now included in Axis 3 (311), (EC) Reg. 1698/2005) that directly or indirectly encouraged farm diversification claiming the multifunctional character of European farming. Pluriactivity and diversification were expected to help families become less dependent on their revenues from farming and to maintain the population in rural areas by creating new jobs. Although the implementation of these measures in the EU was not homogeneous among member States, there is a significant connection between the implementation of these measures and the development of new activities by farms (European Commission, 2008). However, the Commission report does not observe the same relation with the creation and the preservation of jobs in rural areas for all of the analysed areas; this relation depends on different circumstances.

Thus, farming diversification strategies have been presented in many studies (Brun, 1988; Marsden et al., 2002; Meert et al., 2005) as being typical of or suitable for peripheral farms, or farms that are remote from international markets. Nevertheless, it is possible to identify some differences depending on each type of farm (Daskalopoulou and Petrou, 2002). In Spain, however, this strategy did not seem to have a strong implementation at the beginning of the decade (Hoggart and Paniagua, 2001) even in the less favored regions, at least in the theoretical framework of non-productivism. At the same period, Arnalte Alegre (2002:393) noted the shortage of empirical works addressing “production strategies of farming companies and families showing their ways to adapt themselves to the different farming policies and to the evolution of markets”. More recently, Moreno-Pérez et al. (2011) show the persistence and strength of the processes of concentration, capitalization and intensification even on family farms with new forms and strategies.

The north-western region of the Iberian Peninsula is an area with a strong specialization of cattle, which explains its current farm structure (Arnalte Alegre, 2007a). Namely, in Galicia (the major region of this area), the value of agriculture is still higher than the agri-food industry – 54.7% gross value added of the entire agri-food production in 2012 – and employs a significant portion of Galicia’s labor force – 5.2%. In the entire northwest, most farms are family run, and their future is bound to the demographic and economic situation of owner families (Sineiro García et al., 2007). In the last two decades, this territory experienced intense restructuring and adjustment processes that ended by a dramatic reduction of the number of farms and a deep geographical concentration and specialization of production (López Iglesias, 1996; Sineiro García et al., 2007). These experiences had a double result: abandonment of land in marginal areas and significant pressure on land where milk production is concentrated. Currently, milk is northwest Spain’s main product in terms of value added, however the rise of fuel and cereal prices as well as changes in the CAP have created a scenario of uncertainty for this territory. At the same time, northwest Spain is an area with a wealth of experience in rural development programs seeking the economic diversification of farms and territory (Pérez-Fra et al., 2012).

This paper analyses the response of farmers to these changes in the economic and institutional environment. The results are based on a survey conducted in four areas representing different rural situations; two areas specialize in dairy (one in a less-favored zone),

another area on wine and the last area is situated in a mountain zone devoted to beef cows. Special consideration has been given to diversification under the non-productivist paradigm, which has been well studied in European industrialized agrarian systems but not in the southern countries or in less favored areas.

2. Theoretical framework

The recognition of the multifunctional aspect of the rural space and farming might drive an evolution toward farm diversification (Van Der Ploeg et al., 2000; Marsden et al., 2002; Wilson, 2008). In fact, the approaches to multifunctionality, both positive and normative (OECD, 2001), may involve different developments for diversification. In a policy discussion, Marsden and Sonnino (2008) depict three types of multifunctional agriculture. First, multifunctionality may be viewed as restricted to pluriactivity in an agro-industrial model. Second, arising from a ‘post-productivist’ paradigm, it was argued that farming would no longer be a main driver for a rural economy whereas other land-uses gain prominence. Third, other rural development models were identified in post-productivist theory (Knickel and Renting, 2000; Marsden et al., 2002), where farms and agricultural activity are still important to generate economic activity. By enlarging their activities to include environmental aspects or by covering some stages in the food chain (Arnalte Alegre, 2007b), farms intend to keep the rural environment alive. Marsden and Sonnino (2008) place these later findings in a sustainable rural development paradigm that corresponds with Professor Wilson’s view and what he calls “strong multifunctionality”.

Wilson (2009: 270) defends a concept of multifunctionality that “should not only be seen as a mere concept describing agricultural change but as a process explaining what is happening on the ground”. Wilson also presents a model of a multifunctional continuum, which progresses from weak multifunctionality corresponding with a productivist action to strong forms of multifunctionality corresponding with non-productivist action and thought (Wilson, 2009). In addition, Professor Wilson raises the question of scale and states that “multifunctionality should have tangible expression rooted in specific localities, in the farmed landscape, and in . . . multi-level governance structures”. The farm level is the most important spatial scale for the implementation of multifunctional action ‘on the ground’.

The concept of post-productivism has been severely criticized for several reasons. First, the reality described by this term refers only to particular farming situations, namely, in the UK (Paniagua Mazonra, 2007). Second, from a quantitative point of view, there is little empirical evidence of any pattern that might be attributed to post-productivism (Walford, 2003; Lobley and Potter, 2004). Finally, the name that was adopted gave the idea that, with time, productivism would be replaced by another system toward what we are heading now. Professor Wilson (2007, 2008: 368) argues that this concept lacks both territorial homogeneity and linearity, and he suggests the term “Non-productivism” to describe the changes that, contrary to any logic of productivism, seem to appear in European farming (Wilson, 2008, 2009). This author explains—albeit in a theoretical way—how a farm may follow diverging paths (weak, moderate and strong multifunctional paths) throughout its existence varying between productivist and non-productivist actions. In strongly multifunctional systems lead by non-productivist actions and thought, “there will also be a reevaluation of existing farm household knowledge and a greater likelihood for farms to embark on diversification pathways” (Wilson, 2009: 270).

Later on, the literature raises the concept of resilience to explain differences in the adaptation of human systems to environmental,

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