

“What’s in a Word: Rural Adjustment and Structural Transformation?”

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Outline

- Reframing the Problem
- The Project
 - Objectives
 - Methods
 - Outcomes
- Conclusion

The Problem ...

Farmers are integrated into local communities from which they derive their social status; they have an attachment to their land and to the farming lifestyle; and are well aware that their skills are not valued highly outside the industry. No matter what price signals they receive, many will choose to remain in agriculture even under conditions of severe economic stress and personal and family deprivation

■ (Gray et al., 1993).

... but is there no escape?

“ Our approach might be clarified by applying the analogy of the river ... Rural and regional people are moved as if by the current of a river – the stream of their own history – toward their present unfortunate circumstances. They are constrained by the banks of the river. However, rivers can and do change their course when the currents are strong enough. A change in the course of the river does not happen by coincidence. It occurs when the stream is able to move the banks which direct it.

Gray & Lawrence (2001, after Metcalfe 1988)

The Context/Problem

- Longstanding policies to increase farm productivity & size (agribusiness)
- Policy shift from drought relief to farm risk management
 - Triggered by climate change concerns but also 'roll out' neo-liberalism
- Policymakers questioning the status of farmers as a 'special case'
 - Change in farming's position in the national economy
- Federal & State incentives to exit farming
 - Barriers to exit (market failures)?

Rural Transformation or Structural Adjustment?

- **Rural Transformation** policies would focus on ways to improve the viability of farms, farm households and farming communities
 - Through innovation, new crops, new methods etc
 - Incremental approach to change
- **Structural Adjustment** policies assume that transformation paths are exhausted, that it's time to restructure
 - Encouraging exit
 - Rapid approach to change (sooner the better)

Victorian Approach

- Supports anticipatory responses to climate change;
- Recognizes that increasing farm sizes have not resolved the problems of farm businesses (esp. chronic indebtedness)
- Also that drought assistance (in its current forms) is impeding the necessary adjustment process.
- Thinks that ‘fear of the unknown’ (i.e. incomplete information) is causing farm households to stay in non-viable businesses.

The Gap in Knowledge:

1. Lack of rigorous research on outcomes
2. Current research has focused on rural adjustment and the causes of farm exit, but not what happens to those that leave rural businesses and communities.
3. Long-term outcomes can only be identified (and related back to farm circumstances) by tracing families over an extended period.
4. Key assumption is that qualitative studies are biased to 'catastrophe stories' & that random sampling will uncover a more positive adjustment experience.

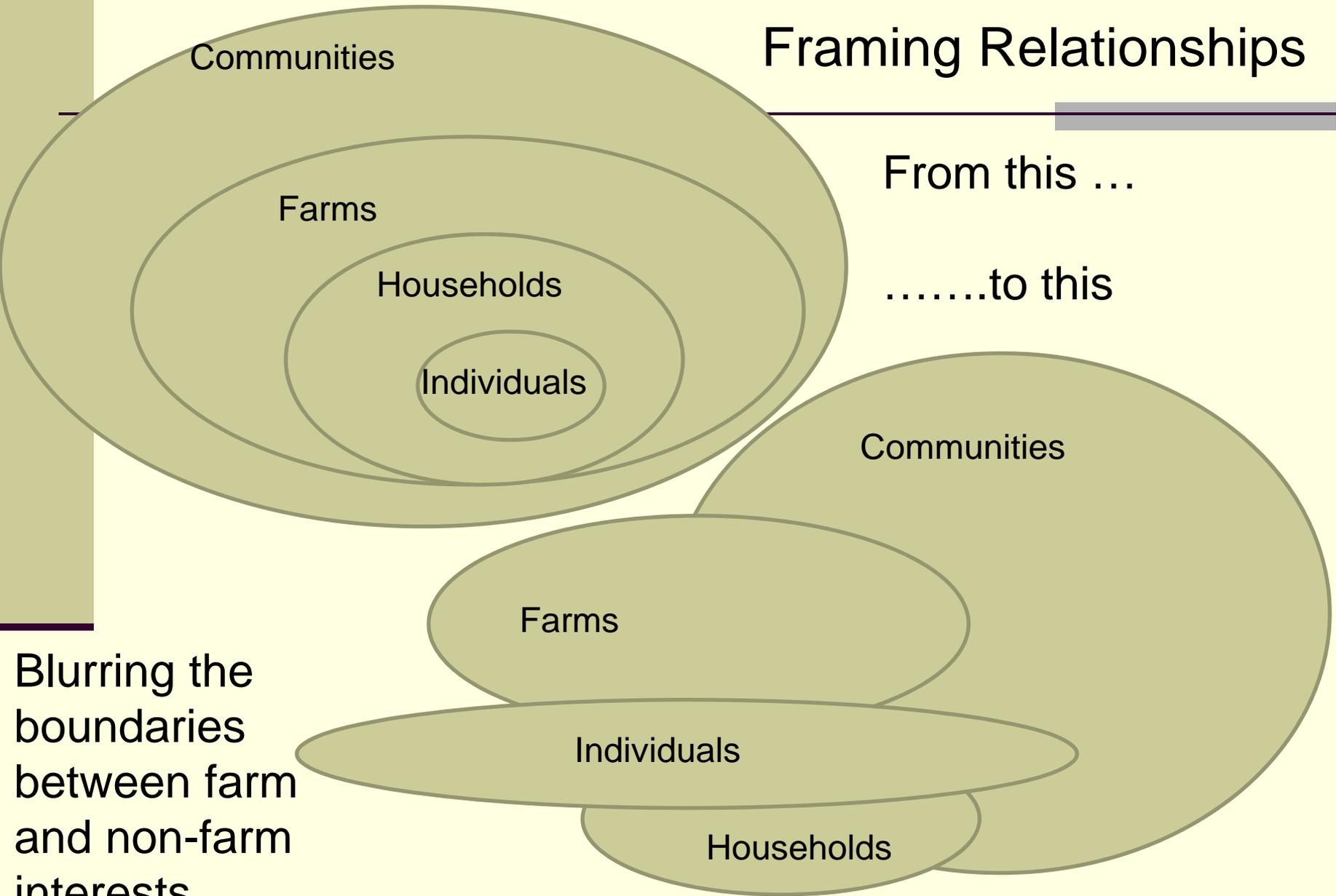
This Project

- ARC Linkage Project with the Victorian Department of Treasury and Finance. Four CI's
 - Weller (Victoria University) – Individual Outcomes, Exits and Migration
 - Pritchard (U of Sydney) – Agribusiness Restructuring
 - Alston (Monash) – Household Changes, Gender Issues, Community
 - Webber (Melbourne) – Restructuring and Migration
- Multi-scale analysis of outcomes for communities, farm businesses, families and individuals within families.
- Cultural political economy approach interested in both what happens and discourses used to explain what happens

The Project Approach

- Sample in severely stressed regions
 - Irrigation blocks along the Murray & Goulburn;
 - Cropping in the Mallee and Wimmera;
 - Dairying in South Gippsland;
 - Control – Colac area, where conditions are improving boggy land dries out.
- Random sample of farm businesses from the Australian Taxation Office
- Multi-scalar datasets and multivariate analysis of outcomes

Framing Relationships



Communities

Farms

Households

Individuals

From this ...

.....to this

Communities

Farms

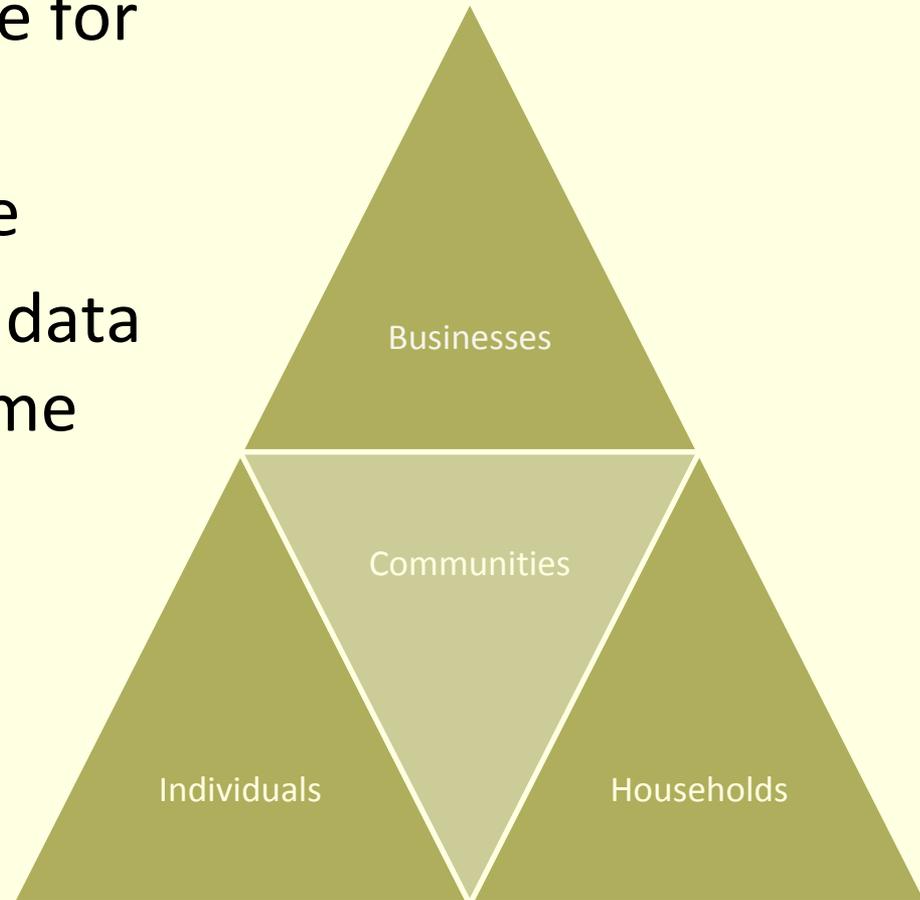
Individuals

Households

Blurring the boundaries between farm and non-farm interests

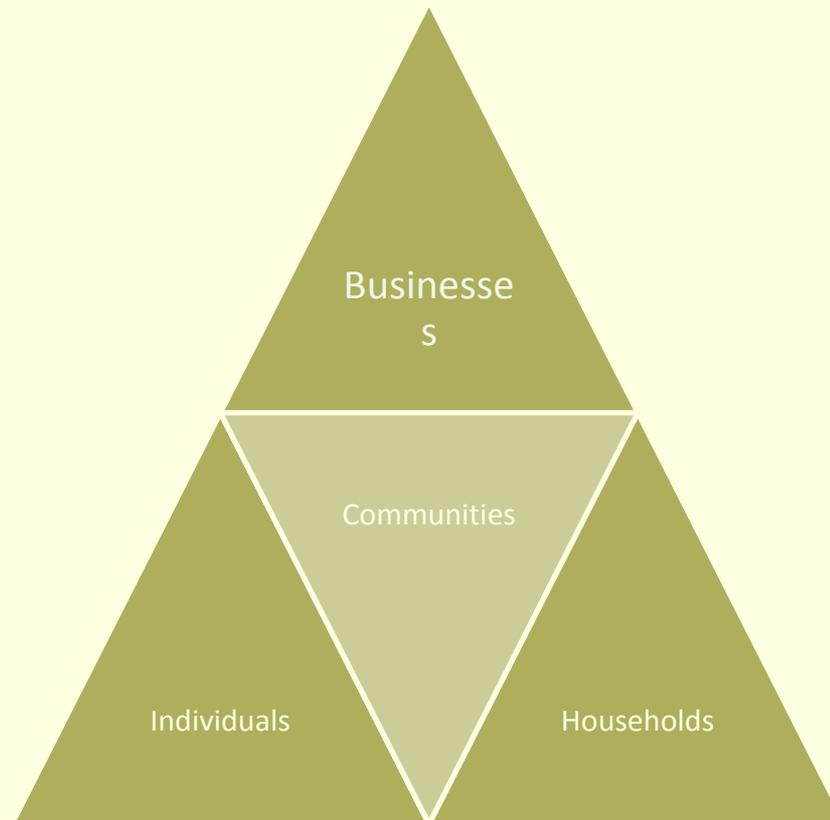
... to this

- Treat as separate for analytically
- Then recombine
- Four interactive data sets with the same data from four perspectives



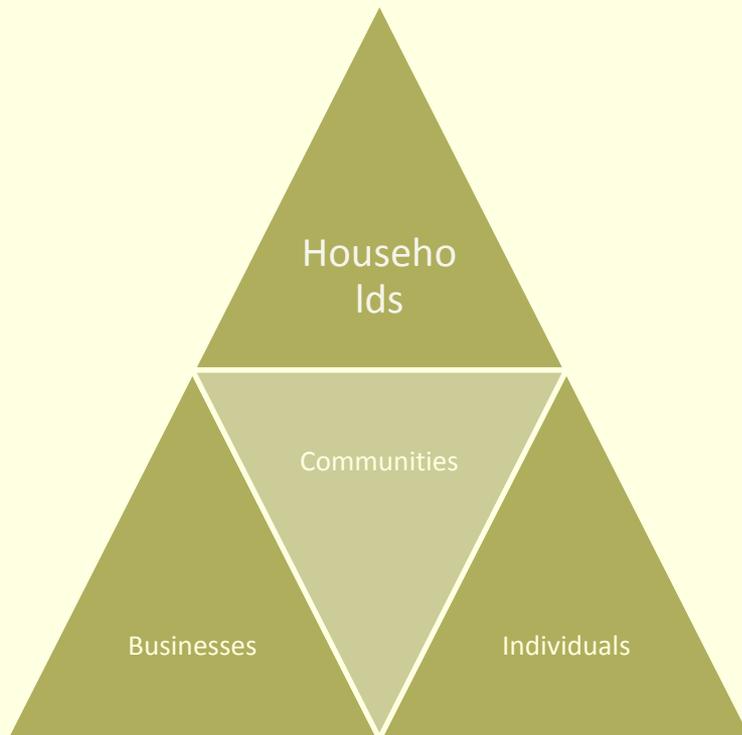
1. Businesses

- Which businesses transform and which adjust? What are the key determinants?
- Track changes
 - crop types & farming methods
 - land holdings
 - Changes in financing/governance etc
 - Exit – partial exit – complete restructure
- Problems of definition
 - E.g. same business/new land
 - E.g. different business/same land



Understand the constraints and opportunities that shape the decision to persist or quit

2. Farm Households



Changes in farm households

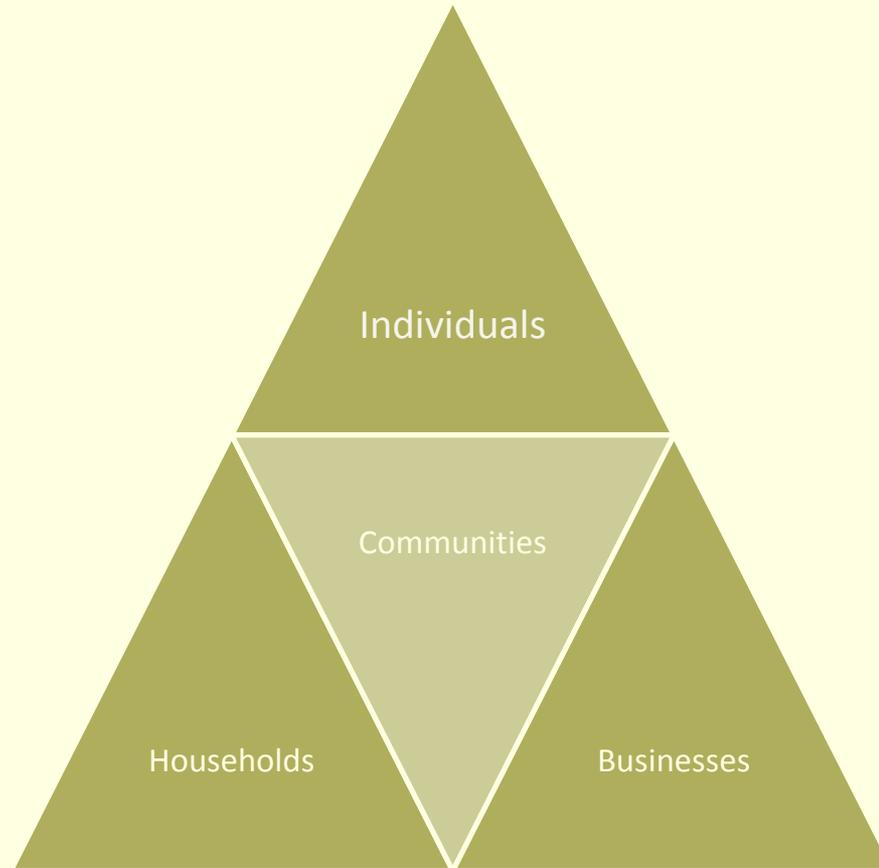
- degree of reliance on agriculture
- income
- standard of living
- household composition
- relationships (separations)
- relationship to farm business
- Include all households that depend on farm, not only the 'family farm'

Compare the fortunes of different sub-groups of farm households, defined by gender, location, life stage, financial resources, social ties and personal outlook;

3. Individuals

Changes in individuals

1. Track their locations, where-ever they go
2. Track labour force status and occupations of all members of Year 1 farm households, whatever they do.
3. Track relationships to farm and Year 1 farm household.



Career Trajectories ...

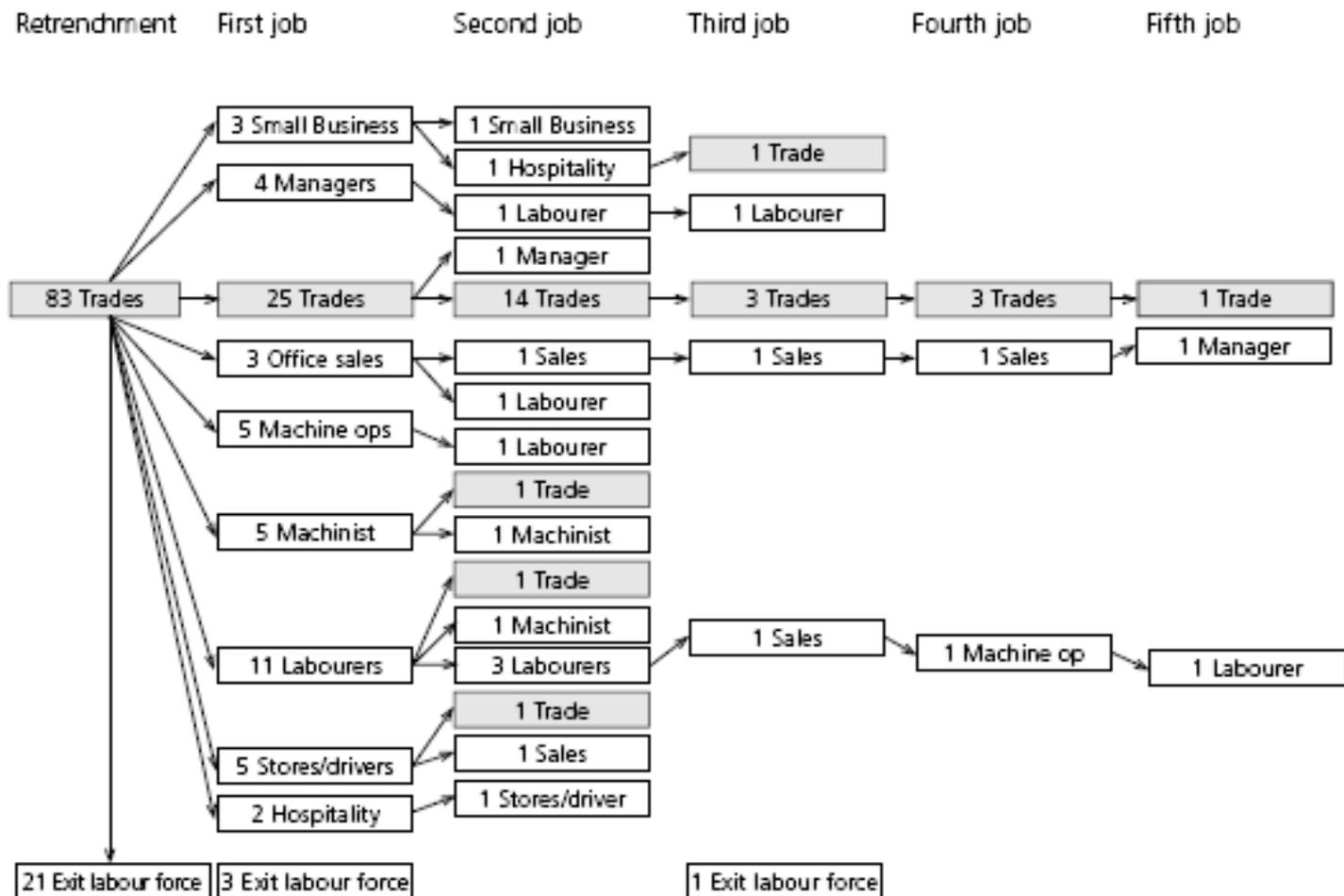
Table 9.6 Patterns of post-retrenchment careers

Category of career	Number	Per cent of workers
Secure full-time	223	36.9
Secure part-time	92	15.2
Insecure full-time	29	4.8
Insecure part-time	10	1.7
Insecure combinations	41	6.8
Exit labour force	210	34.7
Total	605	100.0

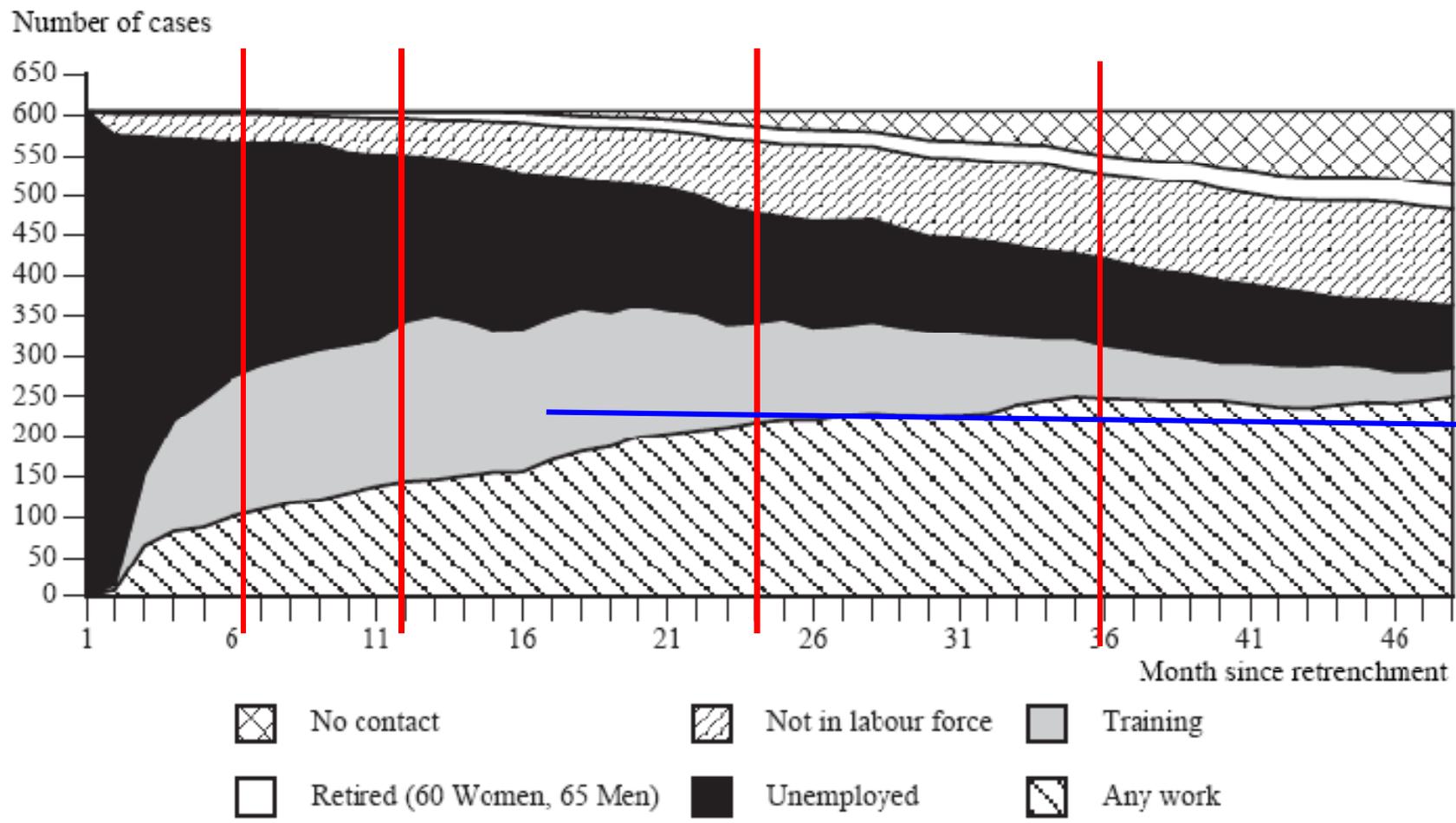
Source: Weller & Webber, 2001 in *Work Rich, Work Poor*

Job sequences ...

Figure 9.4 Career trajectories – former trades persons



Patterns over time ...



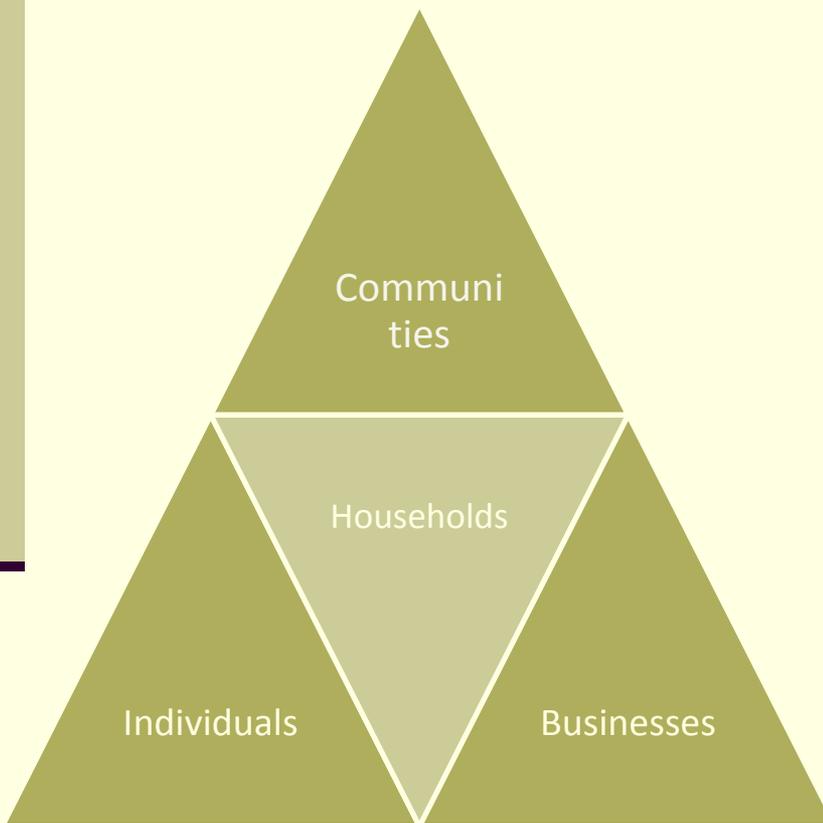
Source: Weller & Webber, 1999 *Australian Economic Review*

3. Rural Communities

Changes in Rural Communities

- Changes in community participants
- Changes in services access
- Changes in community amenity

- Case studies of evolution of agricultural industry in sampled locations



Anticipated Outcomes

1. Identify what constitutes a successful outcome for the affected households, and for the men and women within these households;
2. Identify the characteristics of successful outcomes and explore gender differences in these assessments;
3. Assess the impact of current policies in promoting or discouraging successful outcomes;
4. Propose policy interventions that will increase the probability of a successful outcome; and,
5. Inform Victorian Government policy development at the whole-of-government scale.

Conclusions

- We expect to find a complex and tangled relationship between ‘adaptation’ and ‘adjustment’.
- It may be difficult to identify the ‘tipping points’ at which families switch to ‘adjustment’ responses (exit), since the many determinants are likely to be complexity inter-related.
- Key question will be whether people that have highly stressful exit experiences have worse longer term outcomes.