RECONCILING PRODUCTIVITY AND SUSTAINABILITY: ARE AGRICULTURAL POLICIES IN OECD COUNTRIES CHANGING COMPASS?

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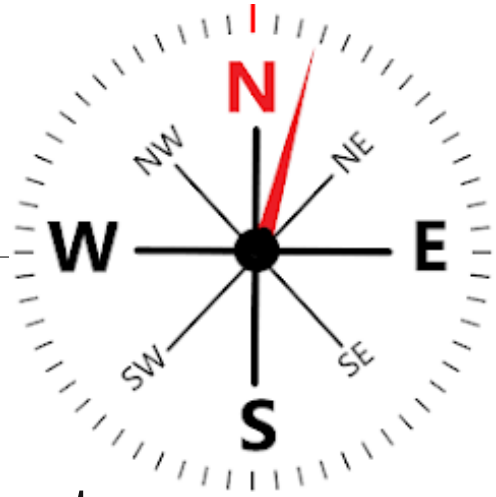
OECD

BETTER POLICIES FOR BETTER LIVES

Storyline



1. Social Issues in Agriculture are Becoming Increasingly Prominent
2. Changing the Direction of OECD Agricultural Policy Trends is Challenging!
3. “Climate Change” has been an Anchor for Environmental Sustainability
4. “Social Issues” Differ from Economic and Environmental Issues
5. Measuring Sustainability is Critical as a Compass for Direction
6. How can we Advance the Agenda on Social Sustainability in Agriculture?

1. SOCIAL IS AT RISE?

Are Social Issues in Agriculture becoming more Prominent?

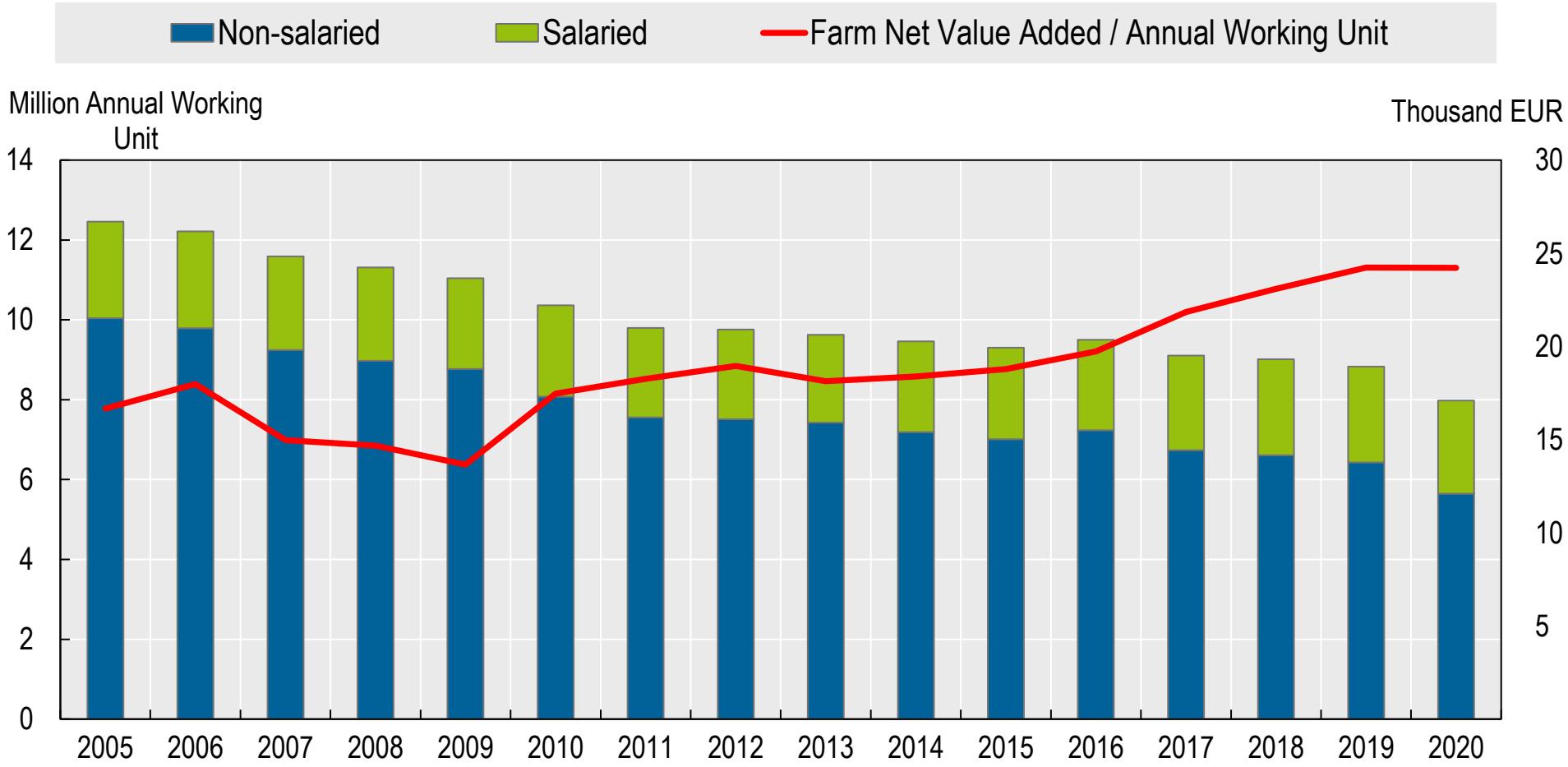
45% of Swiss female farm family workers are unpaid

50% of agr work have work-related injuries & diseases in UK

59% higher suicide rate for farmers compared to non-farmers in Australia

African American net farm income is **10%** of the average of other farms

Evolution of Agricultural Income in the European Union



Is Farming at the Edge of a Social Crisis?

2. OECD AGRICULTURAL POLICY TRENDS: HARD TO CHANGE DIRECTION!

Policy Inertia and Path Dependency

From high prices, to high payments, to environmental practices

Price Support: Tariffs & Export Subsidies

- Overproduction
- Trade Distortions

Decoupled Support: Payments per Hectare

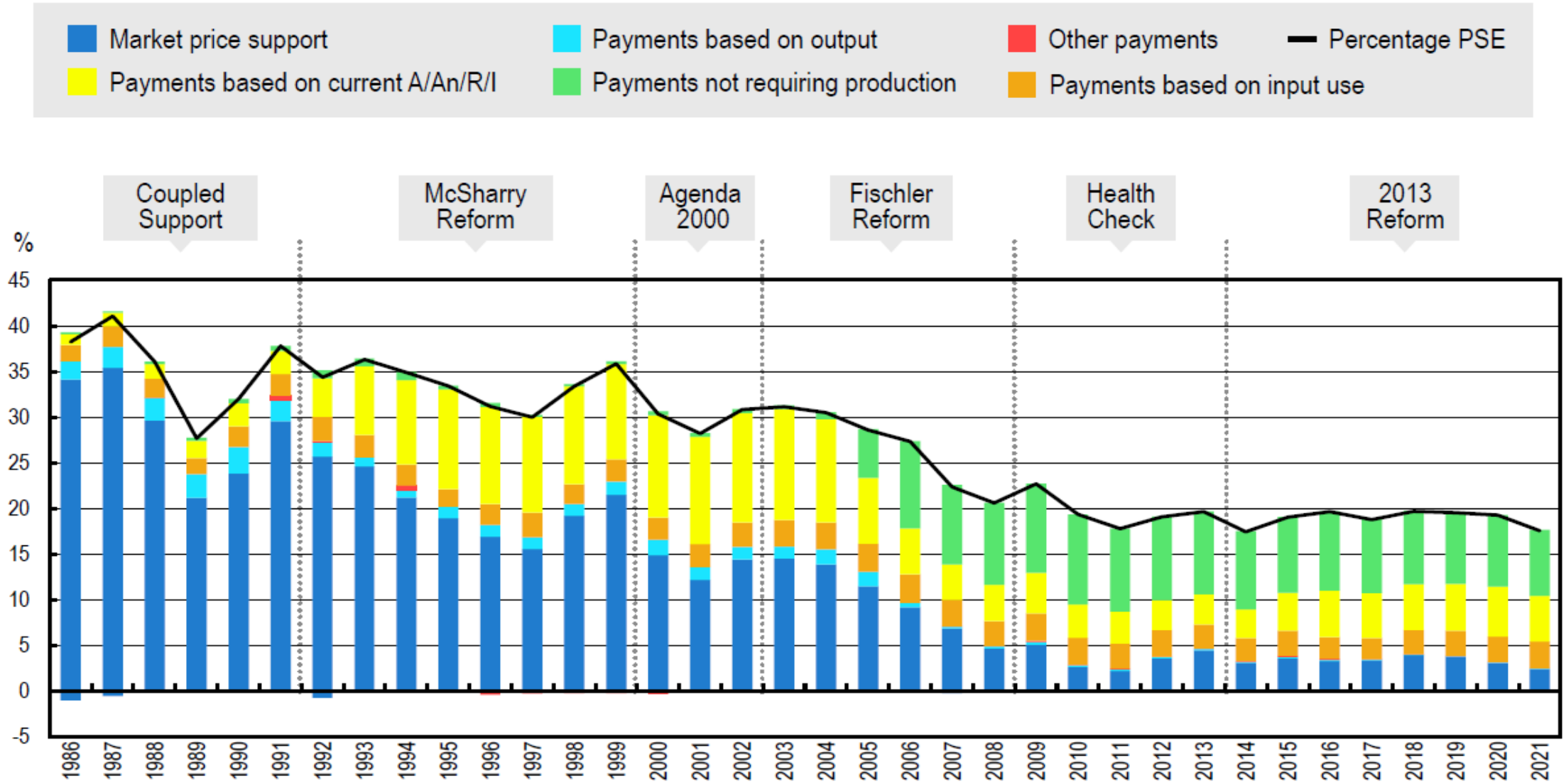
- Increased Farm Revenues

Conditionality & Eco schemes

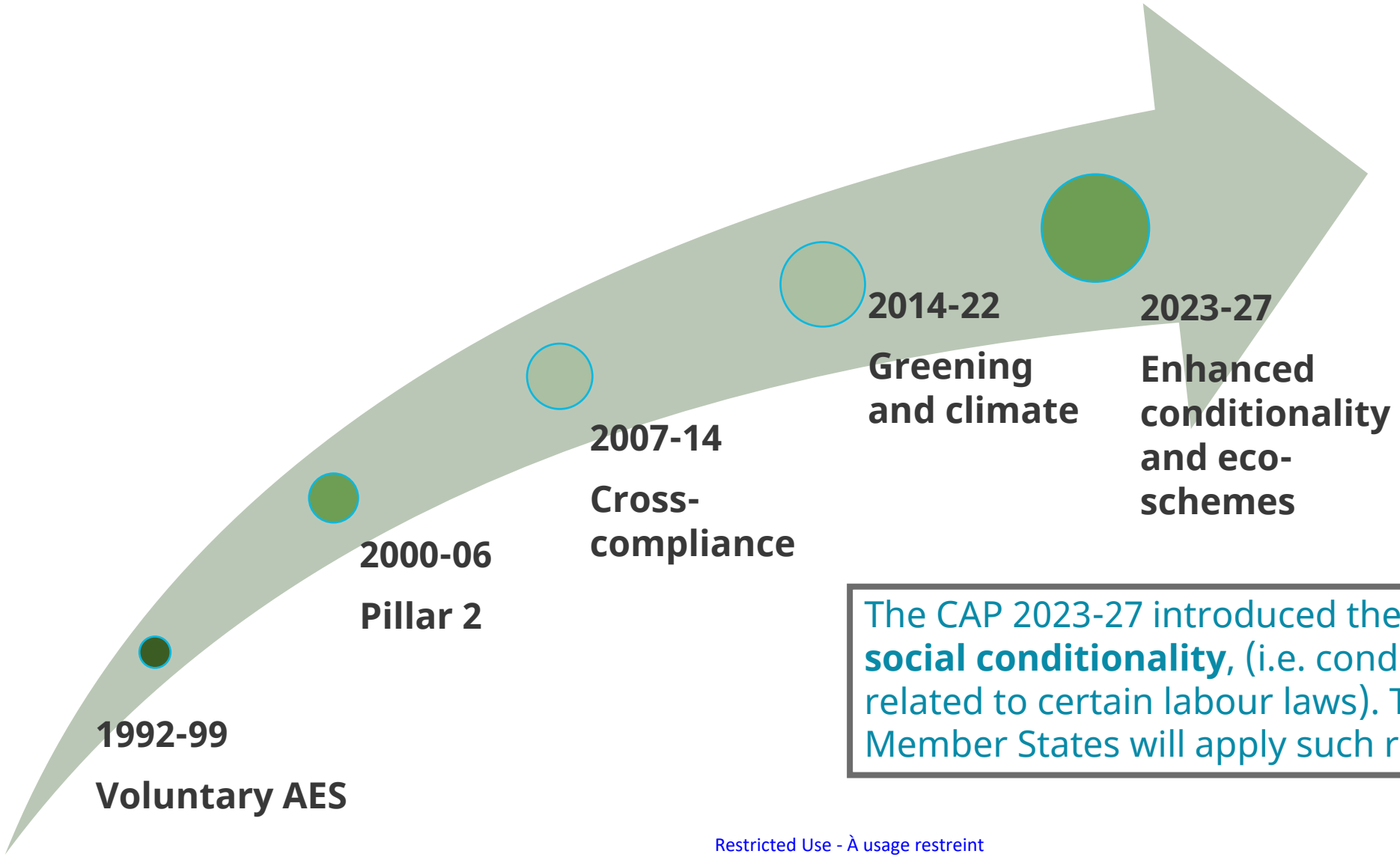
- Agri-Environmental Outcomes?

The CAP has undergone Positive Reforms

Support As a percentage of farm gross receipt



The Integration of Environmental and Climate Objectives in the CAP



The CAP 2023-27 introduced the concept of **social conditionality**, (i.e. conditionality rules related to certain labour laws). The majority of Member States will apply such rules from 2025.

Changing Compass?

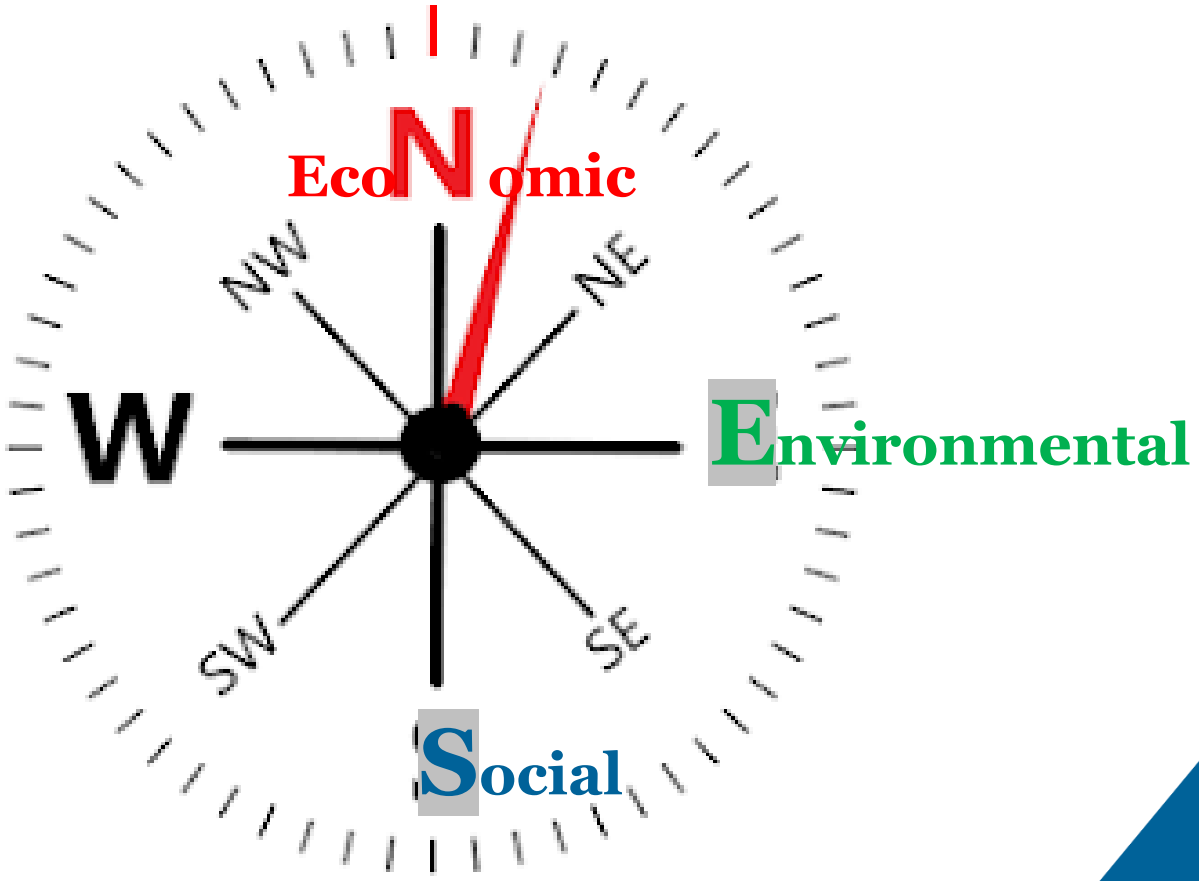
OECD 2022 Agricultural Ministerial

Food systems "Triple challenge":

- providing food security and nutrition for a growing population;
- providing livelihoods for people involved in farming and along the food chain,
- contributing to environmental sustainability

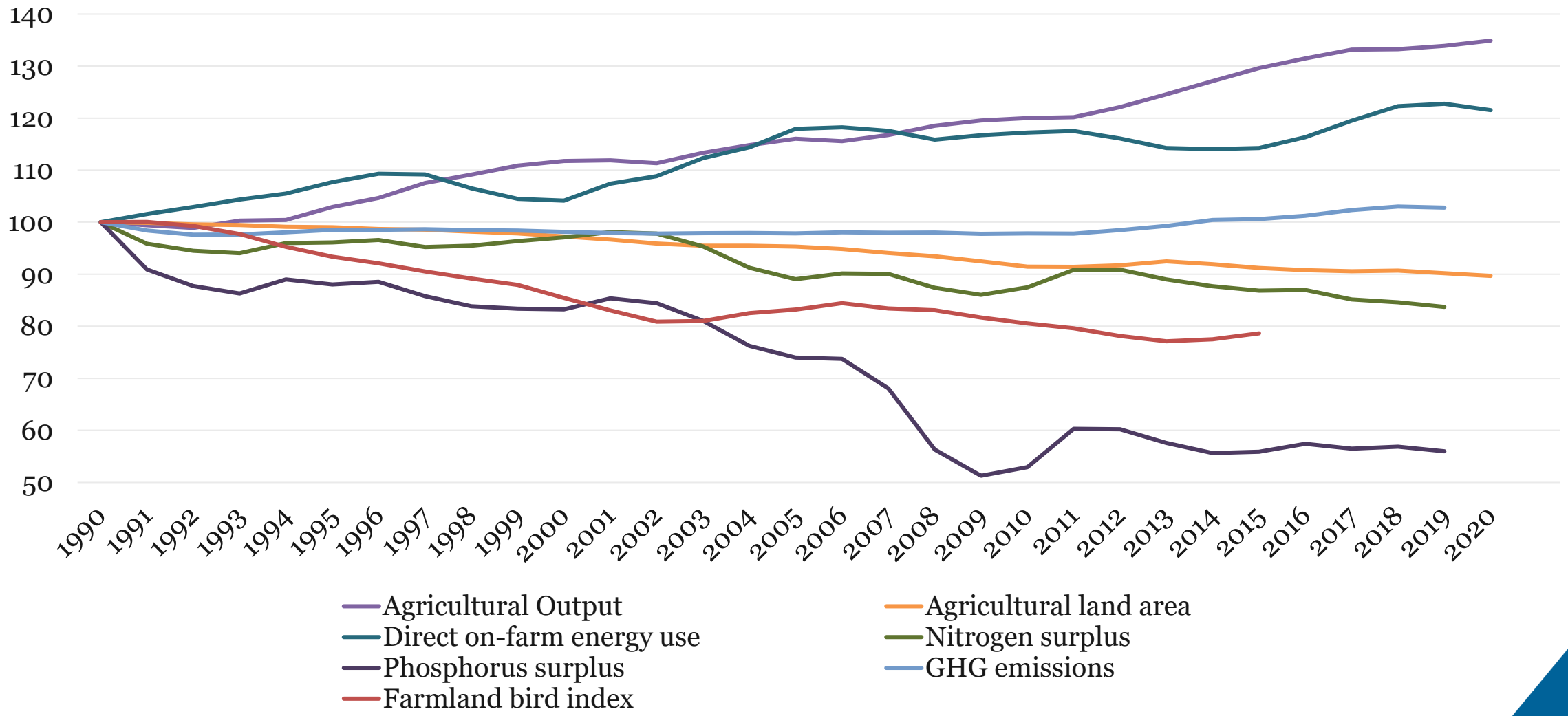
"take action to achieve sustainable productivity growth consistent with SDG 2

- 3 pillars: economic, environmental, social



3. MAINSTREAMING ENVIRONMENTAL SUSTAINABILITY

Defining Environmental Issues: OECD Agri-Environmental Database



“Climate Change”: a Game Changer on Environmental Sustainability in Agriculture

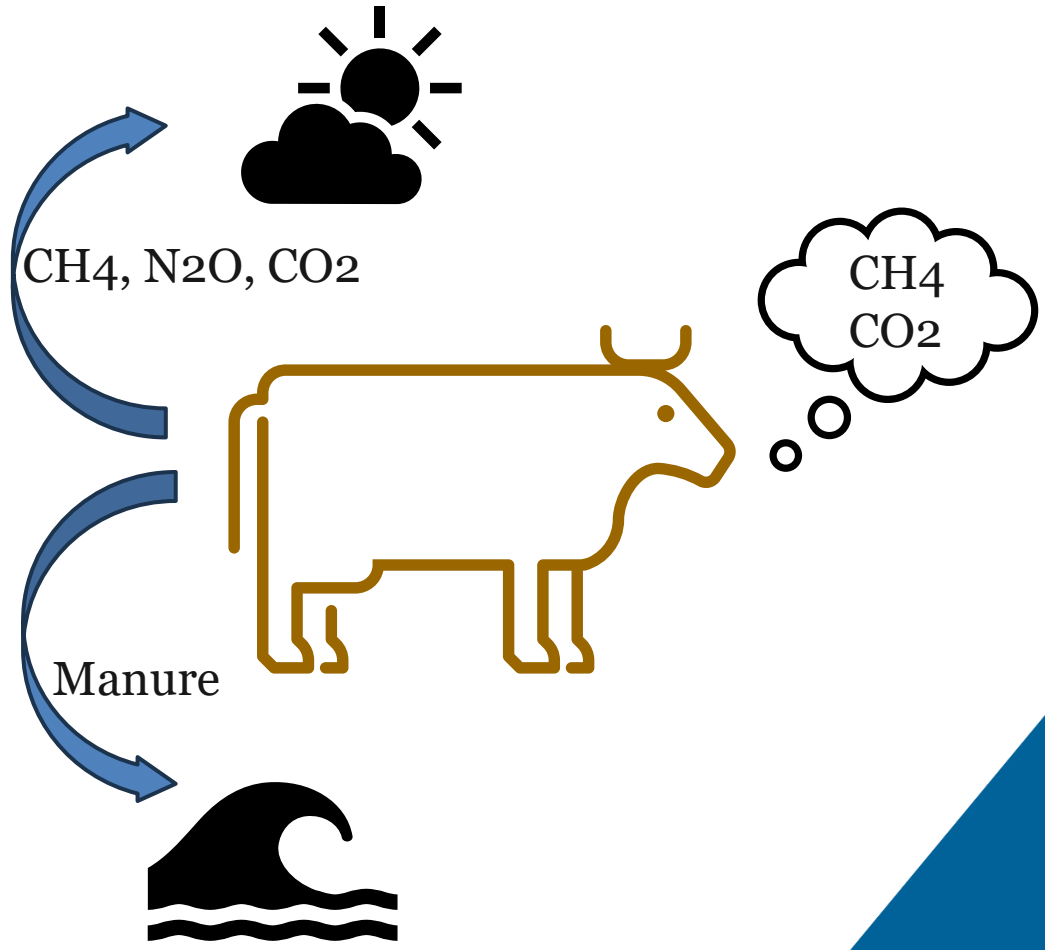
CLIMATE CHANGE

Global Public Good & Shared Environmental Concern unlike e.g. Biodiversity

Correlation to other Environmental Issues (Emission, Water Quality, Nutrient Imbalance)

Data and Method are available on GHGs unlike other

GHGs are easily measurable unlike e.g. Biodiversity



How did the Environment come to the Center of the Policy Agenda?

Development of Indicators
OECD Agri-Environmental Indicators

Investment on understanding Impacts
IPCC

International Cooperation
Paris Agreement, SDGs

Awareness / Pressure
EGD

4. SOCIAL ISSUES IN AGRICULTURE

What is Social Sustainability? – The Wellbeing Approach

Material conditions

- Income and wealth
- Work and Job Quality
- Housing

Quality of Life

- Health
- Safety
- Knowledge and Skills
- Work-life Balance
- Environmental Quality
- Social Connections
- Subjective Well-being
- Civic Engagement

Tackling Social Issues in Agriculture

No Consensus on widely **Shared Social Issues**

Social Issues are **Context and Place Specific** & involve many **Stakeholders**

Poor **Measurement** & **Understanding** of Social Issues (e.g., DATA GAPS)

Need for policies **Beyond Traditional Sectoral Programmes**

Ireland – Farmers Experience High Levels of Stress due to Hard Work under Challenging Conditions

A supplementary survey on occupational stress added to the core survey of the Teagasc National Farm Survey (NFS) posed questions to determine stress.

Data Limitations and Gaps

- One-time data collection limits the analysis;
- Difficulties with surveying sensitive questions on personal health and social relations
- Mental illness may be underreported due to stigma
- Collected data have limited granular basic information (e.g., gender)

EU – Disadvantaged Migrant Farmworkers

Kalantaryan et al. (2021) used the EU Labour Force Survey (EU LFS) and EU Statistics on Income and Living Conditions (EU SILC) to monitor labour market and social integration of immigrants in rural areas and the agricultural sector.

Data Limitations and Gaps

- EU LFS and EU SILC cover resident population
- Missing data on
  - Third-country nationals who irregularly entered Member States and eventually find a job
  - Seasonal workers

Canada – Indigenous Peoples Face Barriers to Work in Agriculture

The Canadian government has been collecting data on Indigenous involvement in agriculture, e.g., the Census of Population and the Census of Agriculture.

Data Limitations and Gaps

- Census data relies on self identification
- Census data does not cover some of the barriers faced by Indigenous producers
- Indigenous food production activities may not fit the traditional definition of agriculture: e.g., harvesting wild plants and animals

Japan – Creating Community and Social Capital

The Census of Agriculture and Forestry in Japan monitors a payment scheme for collective engagement of local stakeholders, collecting “community-level data”

Data Limitations and Gaps

- Need for Comparable Statistics AND
- Granular data at the subnational level for rural areas with different situations and degrees of rurality
- Quantitative measurement of social capital are rare

How many Poor Farm Families are in the EU?

The total available income within a household determines the standard of living.

Direct income payments are not targeted

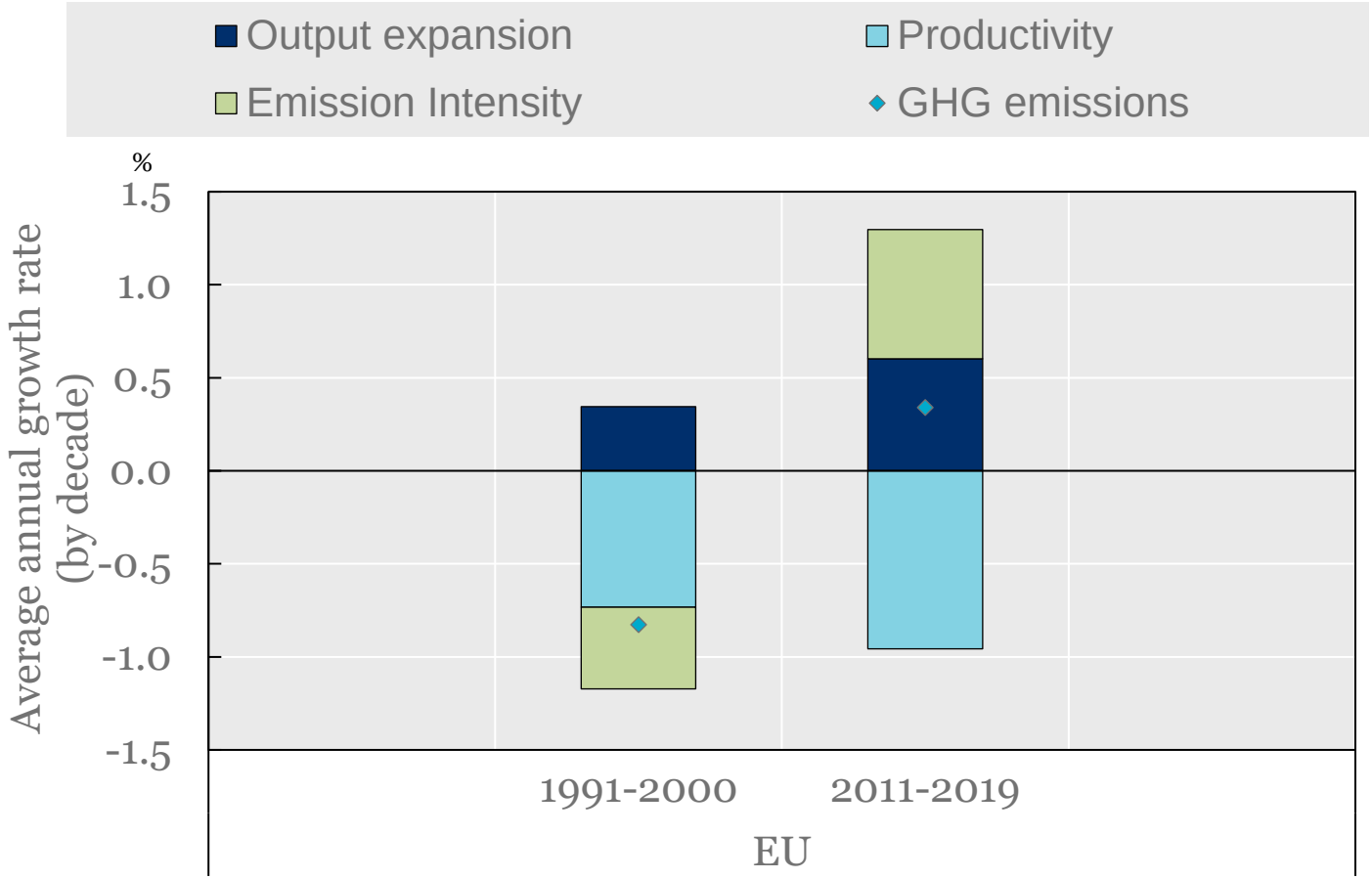
Specific farm surveys (e.g., FADN - EU), economy-wide surveys (e.g., EU SILC) and income tax file provide information on farm income.

Data Limitations and Gaps

- FADN: No data on the disposable income of farm households, evidence on livelihoods may understate actual household incomes, samples tent to be focused on “large farms”
- EU SILC: Small sample size of “farm household”
- Tax Data: Farmers are sometimes exempt or have simplified treatment for income taxes

5. MEASURING ECONOMIC ENVIRONMENTAL AND SOCIAL SUSTAINABILITY PERFORMANCE

Innovation can help Reconciling Competing Goals: Reducing Emissions while Increasing Production



Innovation =

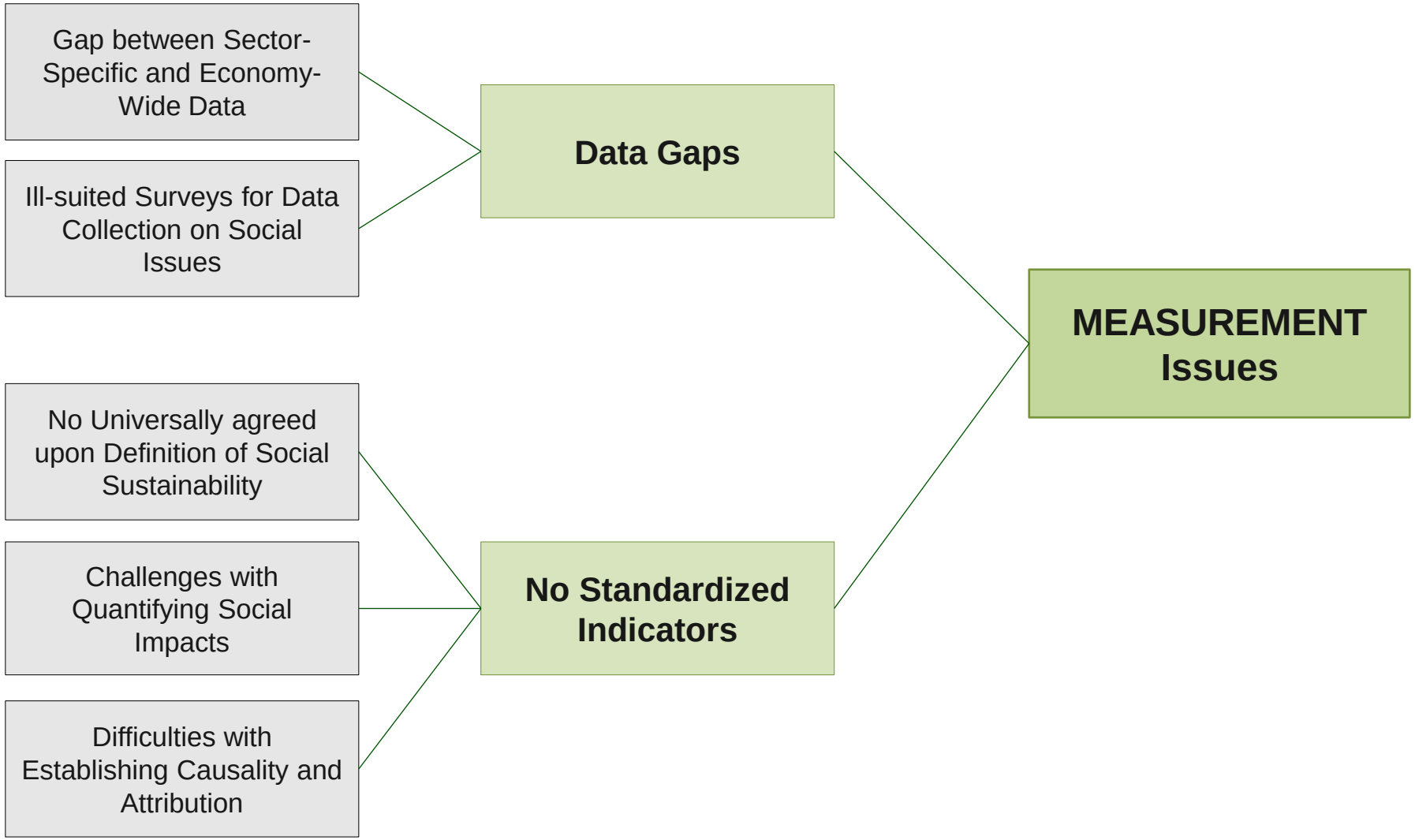
Producing more with less

- Less inputs (productivity)
- Lower emission intensity
- => Less GHG

Producing more with less

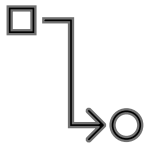
- Less labour
- => Higher farm income

Measurement Issues Impede Awareness of Social Issues



Why is Measurement Key?

"It is better to be roughly right than precisely wrong“ (Keynes)



Understanding the nature and scope of the social issue

Steering policies and outcomes towards measurable improvements

Monitoring performance

Redesigning policies and strategies according to performance

How to Measure Social Sustainability?

Issues	Possible Indicators
Generational Renewal	Ratio: Young farmers (<35 years) / Old farmers (>50 years) Agricultural land ownership or land tenure rights, by age
Decent Labour	Occupational segregation, by ethnicity Working time, excessive hours
Fair Income	Distribution & Sources of farm household income
Gender Equality	Distribution of gender by labour force (farm holder, employed agricultural worker, family worker)
Social Capital	Number and duration collective initiatives among farmers

Farmer Sustainability Index (FSI)

Brennan et al., 2021

$$\mathrm{FSI} = \sqrt[3]{1 - CONT} \times \sqrt[3]{1 - CONN} \times \sqrt[3]{COMF}$$

Farm Continuity:
Vulnerable – Business risk – Generational renewal

Community and Social Connections
Off-farm work – Access to bank, transport, police, medical, social amenities…

Farmer Comfort
Working hours, Stress, Sense of security

Which could the “Game Changer” for Social Sustainability in Agriculture?

Poverty / Low Income

Widely Shared Social Concern

Correlation to Multiple Issues (Health, Gender Inequalities, Marginal Groups, Working Conditions, Need of Social Capital)

Data Availability if there is Political Will unlike e.g. Social Capital

Farm Household Income is Easily Measurable unlike e.g. Social Capital

6. THE WAY FORWARD: ADVANCING THE AGENDA ON SOCIAL ISSUES

Active poll

58

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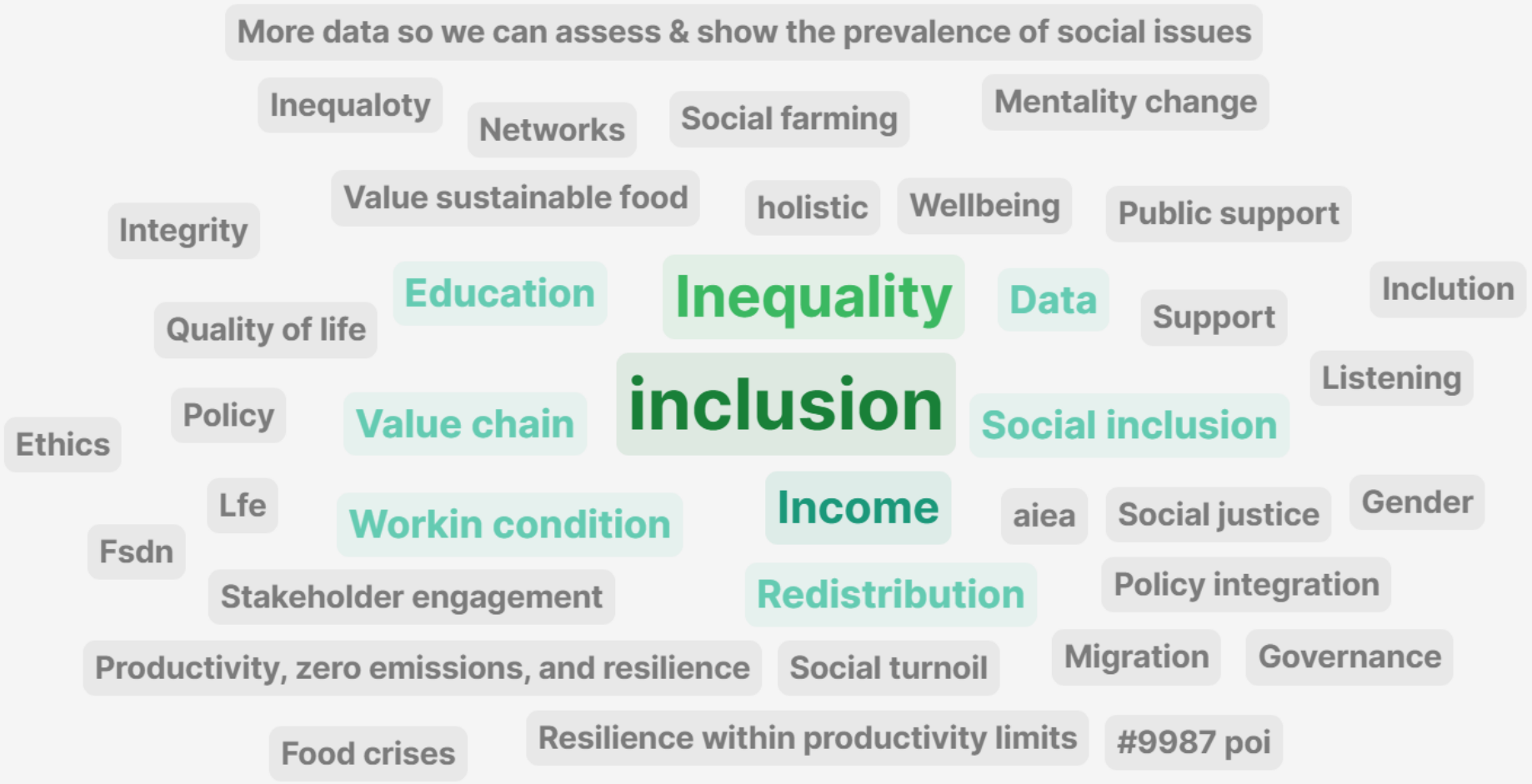
What would be a "Game Changer" to bring Social Sustainability to the centre of Agricultural Policies?



Take aways

- Income support is at the centre of agricultural policies,
  - but not **targeted** to social sustainability in OECD countries
- Social is different and context specific…
  - but cannot become a new justification for untargeted support.
- Social cannot be at the expense of environment & economy
  - Sustainability needs **innovation to reconcile**
- A **game changer** can bring "social" to agricultural policies
  - Widely agreeable, measurable, understandable .. even if imperfect

Some reference

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