Agriculture in the Rural Economy

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15.1 Farming as Part of the Rural System

At various stages throughout this text attention has been drawn to the effect which farming has on the social and natural environment and to its relations with the non-farming sectors of the economy. Similarly, social and economic changes which originate primarily outside agriculture can have major implications for farming. A recent illustration of the influence of external pressures shaping farming change is the British legislation, arising out of public concern with conservation, which aims to protect aspects of the natural environment (see Appendix to Chapter 14). Of course, some of the factors which awoke the conservation interest were brought about by changing patterns of farming, so their creation was not entirely exogenous. On the other hand, the conservation lobby would probably not have become so effective had not improved opportunities for leisure and recreation enabled more people to have time in which to become aware of the issues and to use in promoting their concern; and this increased spare time has come from changes primarily in the non-farming sector of the economy. Even industrial redundancy, early retirement and unemployment may have played some part in reinforcing the environmental movement.

Another example of the interaction between agriculture and the wider economy is the influence on the level of farm-workers’ earnings exercised by the presence or absence of alternative employment possibilities in a rural area (see Chapter 7). In the opposite direction, labour-saving farming practices have required far fewer men to be engaged on farms, with implications for the viability of village schools, shops, public transport, and so on.

In this chapter an attempt is made to put agriculture in its context as an
activity influenced by its surroundings and also as a means for changing them. This is done in two stages. First, we take a systems approach to explain the nature of the interactions between agriculture and its environment. Second, we describe the position of agriculture within the rural economy and the use of public support of this industry as a way of stimulating the level of economic activity in the countryside.

### 15.1.1 A systems approach

Interactions between sectors are more clearly understood, explained and hopefully better predicted if farming is recognised as being only part of the rural 'system' which is itself only part of a larger world-level system, sometimes termed the 'ecological' system. The notion of a system is easier to envisage loosely than to define precisely, although it can be described as an assembly of related parts more closely related to each other than to non-related parts. Human society is a system, one part of the whole. So too is the biological system. Systems can be part of other systems, so that the economic system is a sub-system of the human society system. Each system will therefore have an environment in which it sits. It will also have a boundary, a rather diffuse edge which separates those things which form part of the system from those that do not. For example, if we think of a motor car as a system of related parts – a transportation system – then while an engine is part of that car-system, a bird flying in the sky above the car clearly is not part of it.

Boundaries of systems can be closed or open, indicating whether elements can go in and come out or not. If we think of a club as a system, if outsiders are prevented from joining the club the boundary is thought of as closed. If, however, newcomers are welcomed across an open boundary the nature of the system inside may be altered as they make their influence felt within the club.

The point of adopting this 'systems' approach is that, by taking a broader view, a better understanding of individual sections is obtained. For example, in explaining human behaviour it is very useful to know about the family systems to which individuals belong: a student from an affluent family might be expected to take a different view of getting into debt than another with a poor background. Their parents might bring different pressures to bear about the 'rightness' of borrowing. The important interactions between members of the system are not lost by such a view.

The next question should be: what binds a system together? Alternatively, what are the relationships which give it its structure? Shared beliefs, values or interests may keep some clubs or pressure groups together. Profit making may be the objective which keeps the various parts of a business together. The desire for peace, security and freedom may be what lies