

Agriculture and rural development – the case of Norway

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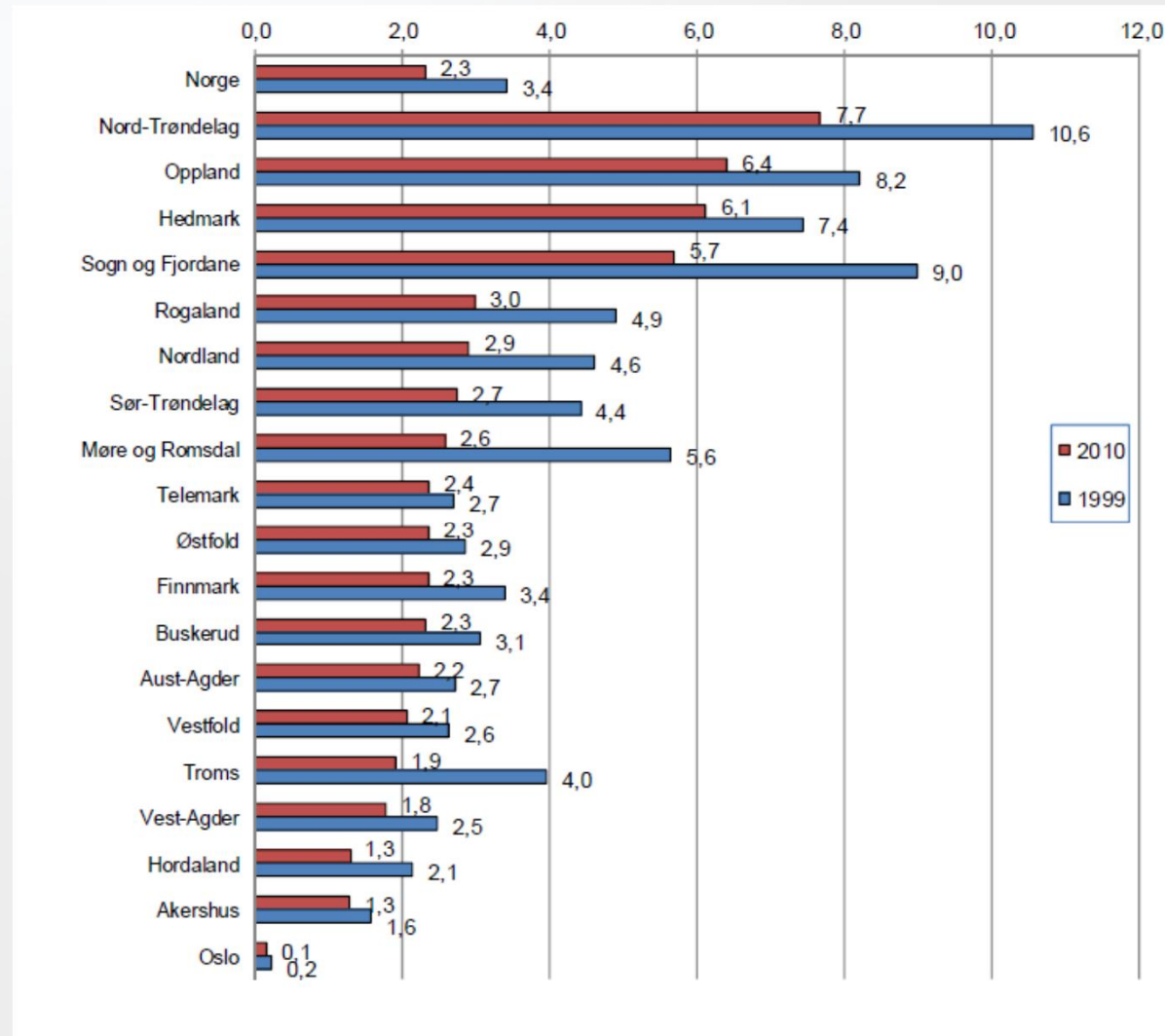
Research aim and context

- Aim
 - to discuss the role of agriculture in rural development in Norway
- Context (I)
 - Multifaceted goal structure for agriculture
 - Food safety
 - Sustainable production
 - Competitive and value adding production
 - Contribute to a decentralized employment and settlement pattern

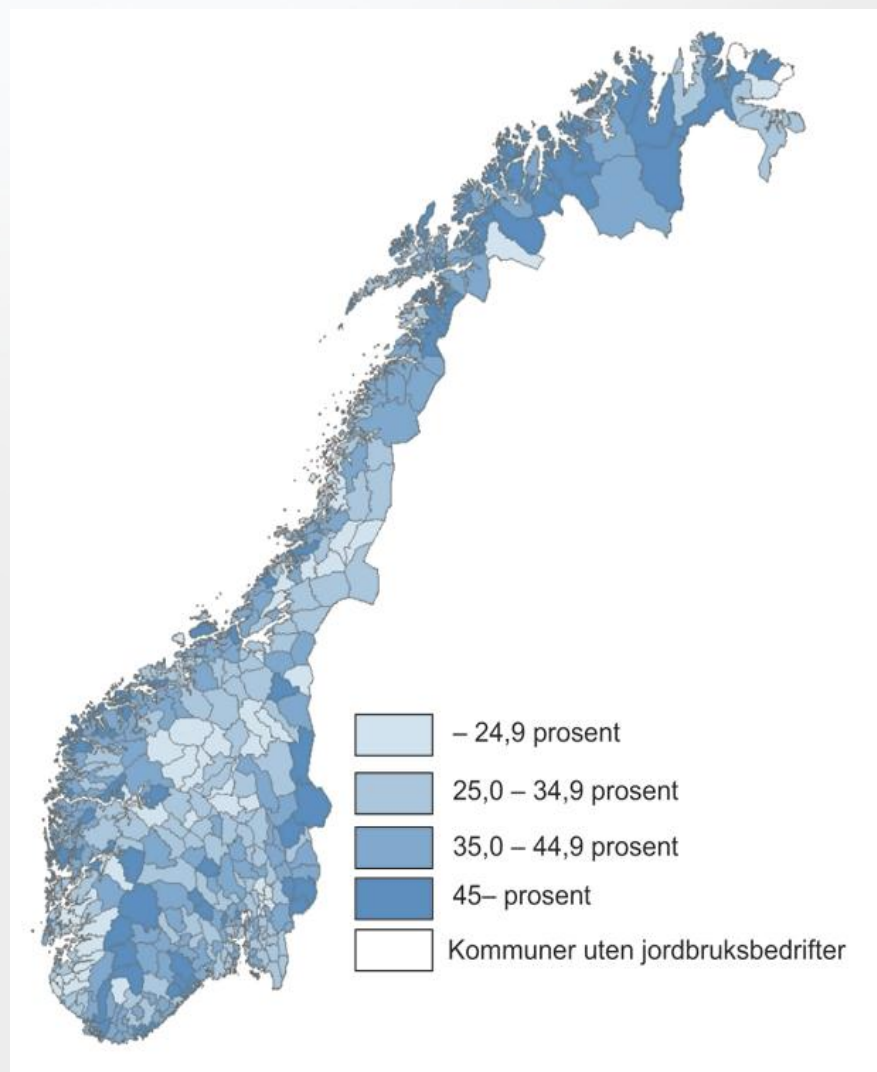
Context (continued)

- Agricultural employment and settlement has decreased steadily during the last decades
- Highest decrease in the more peripheral areas
 - Growth is found only in more or less industrialized production with relatively low demand for land (poultry, pork, vegetables)
- Traditional farming contributes only one quarter of total income for farm households
- 185 000 registered agricultural properties, but only 46 000 production units and 51 000 empty farm houses

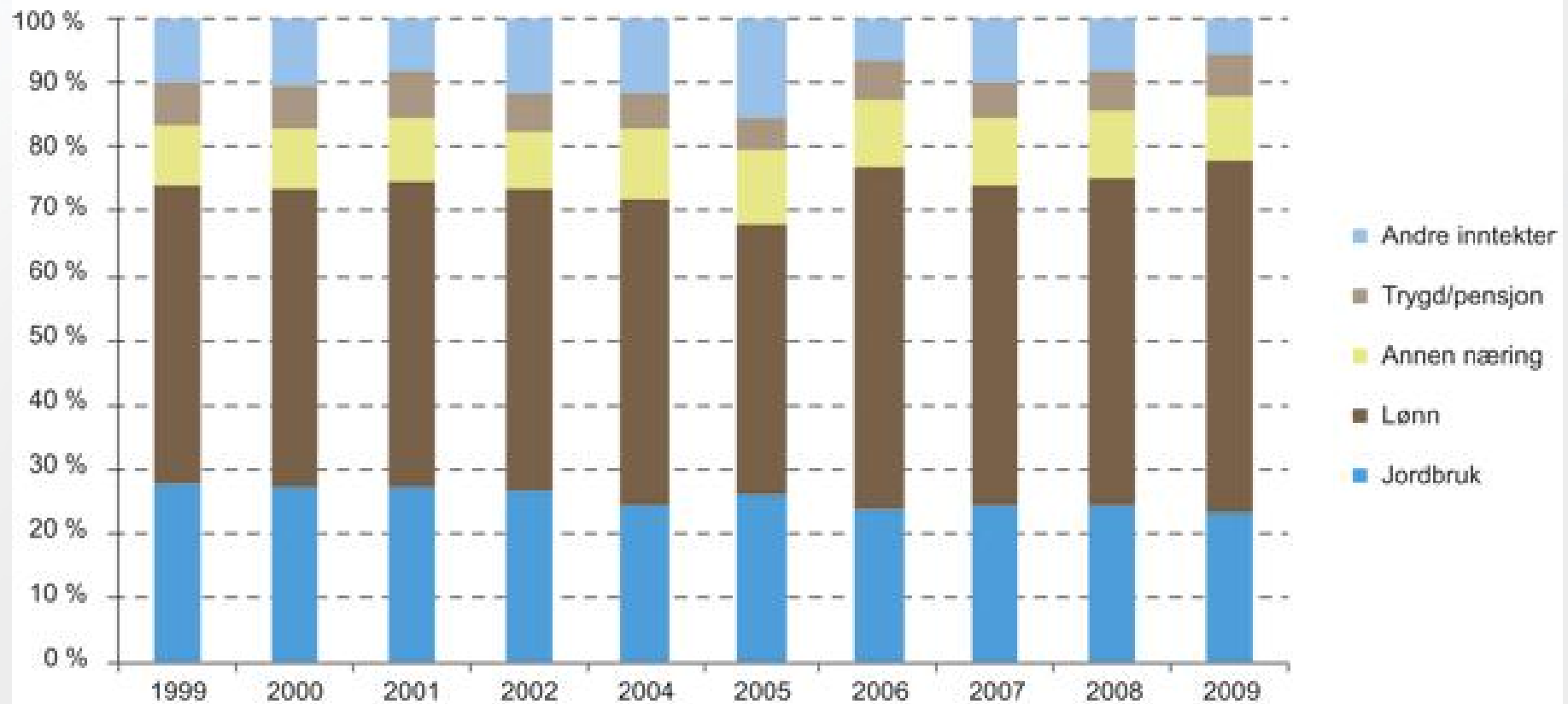
Agricultural employment 2010 and 1999



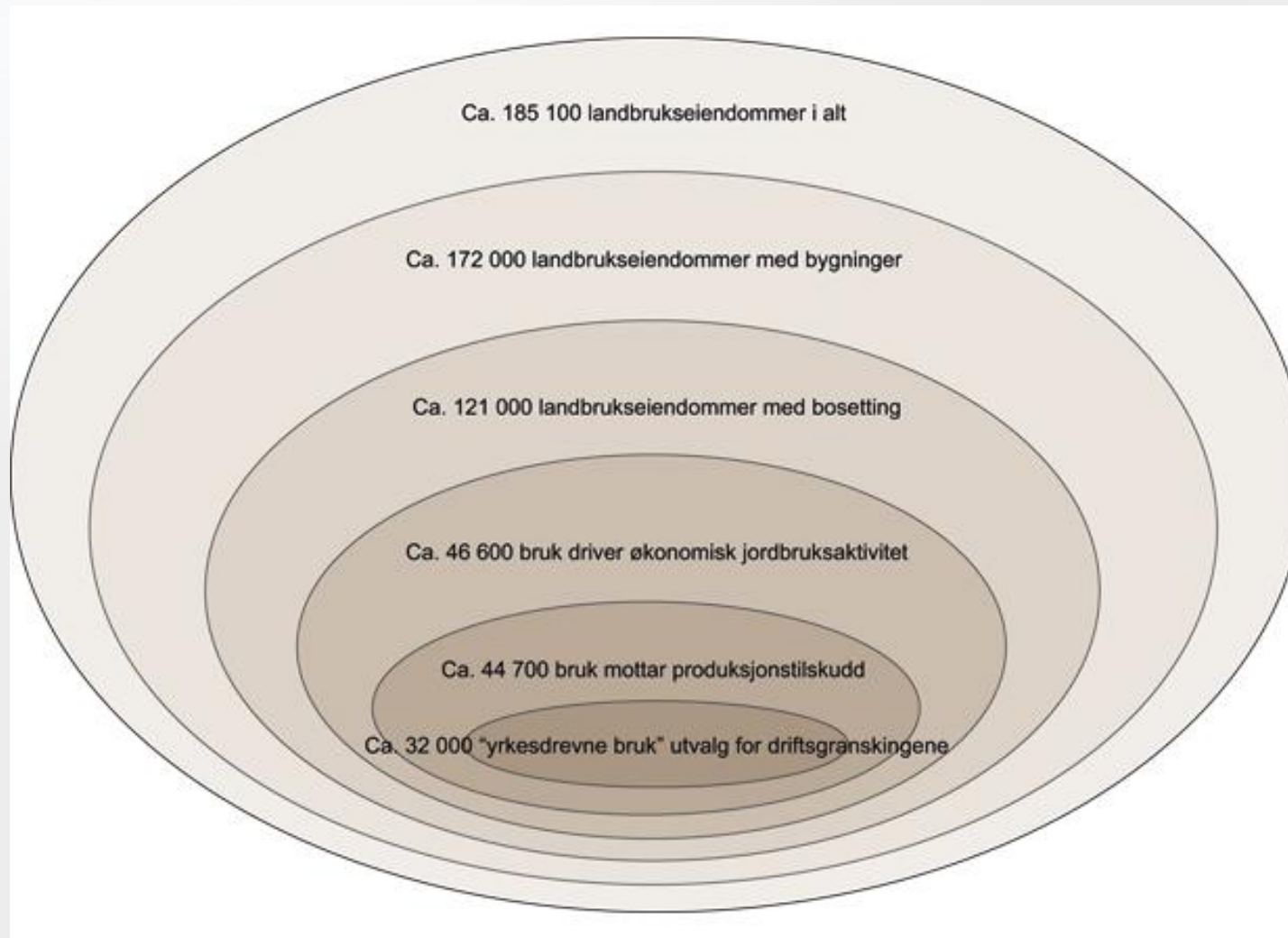
Reduction in the number of agricultural enterprises 1999 – 2009



Composition of family income for farming families, 1999-2009



Property structure and agricultural activity



Research focus

- Much of the decrease is obviously explained by a pressure towards higher productivity in farming, triggered by technological development and increasing external competition.
- I ask whether part of the explanation has to be found in institutional factors and policy failures, particularly
 - the effects of the legislation on agricultural property (Allodial Rights Act)
 - The effects of a farm and community focused development policy

The Allodial Rights Act

- Regulates the inheritance of agricultural property
 - Take back rights for descendants of former owner if a property is sold
 - Price regulations
 - Land can be leased, but not sold independent of buildings
- Effects
 - Impedes the growth of more efficient production units
 - Creates incentives for the owners to change the status of agricultural properties into properties for recreational use

A farm based development policy

- Main policy measures
 - Developing small scale side activities at farms (farm tourism, small scale processing etc)
 - Community focused development (BU-program)
- These measures are quite inadequate for job creation
 - Counts for 10 % of farmers' income
- Most farming households are dependent on part or full time employment
 - Creating more integrated labour market regions would have been more efficient

Conclusion

- Much of the observed development is explained by a pressure towards higher productivity, triggered by technological development and increasing external competition.
- But part of the explanation also has to be found in institutional factors and policy failures, particularly
 - legislation on agricultural property
 - a farm and community focused development policy