

03 September 2007



Evidence to the Royal Society of Edinburgh's Inquiry into Scotland's Hill and Island Areas

Introduction

The Scottish Crofting Foundation urge this inquiry to consider the Scottish uplands and islands in a global context.

Our recent submission to the Shucksmith Committee dealt with many specific issues that crofting faces at the moment and may be of use to members of your committee. However, there has been a growth in systems thinking in policy making (specifically the growing importance of work being done by the Intergovernmental Panel on Climate Change) which recognises the interconnected nature of policy and of global resource use. This makes it essential that your committee consider how aspects of globalisation may benefit or threaten Scotland's hill and island areas.

Our submission will argue for this global approach but will return repeatedly to the example of crofting as it is the remit of the Scottish Crofting Foundation to defend and promote the crofting way of life.

Crofting In Context

- a sustainable model for rural development

The Scottish Crofting Foundation supports the findings of the recently published Carnegie Commission's Charter for Rural Communities. Their Charter places community ownership of resources at its heart and highlights the importance of distinctive local cultures and traditions.

This major piece of work regards the rural Highlands and Islands – and particularly developments in community land ownership in island areas – as a template for successful rural development throughout the UK and Ireland. It is important to note that these inspirational communities owe their existence to the crofting system. The positive impact of crofting legislation on population retention throughout the 120 years of its existence is quite apparent when comparing crofting areas to other remote rural areas without crofting tenure.

The SCF believes that an emphasis on state institutions acting as 'enablers' who empower communities to take control of important elements of their own futures must be a foundation stone for the future well-being of rural areas.

However there are some critical oversights in the Carnegie Charter. Chief among these is the lack of meaningful reference to how the land should be used and stewarded - there is noticeably no mention of food production or associated connection between food production and land stewardship. The Charter also fails to put enough emphasis into the issue of whether local control of resources should include elements of political sovereignty too.

- Food production, distribution, consumption

Central to the crofting system has been the use of the land to produce food sustainably. It has for generations helped crofters to both make a living and provide food for the household in areas where jobs have been hard to come by and wages low; a trend which continues to this day.

Crofting and small-scale farming have had to cope with decades of denigration and inappropriately aimed policies from government, on the basis of plainly false and inaccurate information, which have consistently undermined the integrity of the crofting system.

For example, in the 1950s the first chairman of the Crofters Commission – who failed to understand the basic concept that “a croft is not a farm” and is as much a social as an agricultural unit – complained that crofters acted with characteristic “awkwardness” when confronted with the government’s plans to reorganise the crofting system along farming lines.

Another important example is last year’s DEFRA paper on ‘food security’. It claimed that the “root causes” of food insecurity are “poverty and subsistence farming”. Interestingly, they offered as evidence for this fact the Irish and Highland potato famines of the 1840s. DEFRA argued that reliance on this one crop which failed was the cause of starvation. It fails to note that the monoculture of potato production had effectively been enforced on those communities by rapacious landlords – and indifferent governments. It fails also to note that while those communities faced starvation and death in the 1840’s at the same time food was being exported south from farmland which had been taken from those communities – farmland that constitutes the bulk of agricultural land in the crofting counties. Yet this outdated and unjust interpretation of Highland history is still being offered by government to justify policies which will have damaging implications for present day Scottish upland and island communities and for the global community¹.

The DEFRA report continues: “National food security issues are vastly more pressing for developing countries than for the rich countries of Western Europe. As a rich country, open to trade, the UK is well placed to access sufficient foodstuffs through a well functioning world market.”

Behind these mild words is a policy that the UK intends to buy its way out of unsustainable food insecurity by using its financial muscle to import food from ‘developing’ areas – this is, of course, the same kind of policy that led to famine in the Highlands 150 years ago while food was being exported south. Although we are not hungry, we in the UK are in a very vulnerable position of food insecurity which in the event of emergency or catastrophe would quickly lead to shortages, hunger, malnutrition and social unrest.

The DEFRA report then offers its assessment of the solution to ‘food insecurity’: “International world trade enhances global food security by maximising productive potential”. This statement brings into sharp relief the madness of the free-market economic system in relation to food production – while fields lie fallow in the Highlands between hillsides bereft of animals, the South American barley barons are growing fat on the profits of exporting beef and cereals to Europe from vast prairies

¹ Ironically this policy of creating a damaging monoculture continued, albeit more subtly, through the previous agricultural subsidy system. Many people think of crofters as sheep rearers, though the traditional stock of the crofting areas was cattle, that was until government manipulation of the support system made sheep rearing much more lucrative. Now the market for sheep has fallen away leaving many crofters and hill farmers facing serious problems.

which have been created by burning Amazonian rainforest.

High food miles; unsustainable slash and burn deforestation; high levels of meat, and consequently methane, production – a triple blow to efforts to tackle climate change. This is not the way to implement a sustainable 'food security' policy.

The SCF believes that current government agricultural and food security policies which involve cutting agricultural production in this country are morally and environmentally bankrupt and damaging to upland and island communities.

Although agricultural policy is a devolved issue the Scottish government follows DEFRA in many policy areas and some of the more strategic aspects of policy are still controlled by DEFRA. Our analysis of DEFRA's 'food security' policy paper argues that government policy fails to face up to the real "root" issue that lies behind the poverty and hunger of food insecurity.

That root issue concerns who has responsibility for and control over an area's natural resources. The SCF continue to argue most strongly that on a national and international scale the way forward on this issue is the devolution of power to the communities who live with and by those resources.

However, in the Scottish context what the SCF has seen happen is that, rather than support the devolution of control over those resources, Scottish Executive civil servants have repeatedly tried to knock the feet from under pieces of legislation designed to strengthen communities and the agricultural practices that support them: for example failing to act on the issue of interposed leases when drawing up land reform legislation and therefore potentially undermining the process of community empowerment and failing to prevent multiple and serial decrofting of inbye croft land for houses when drawing up crofting reform legislationⁱ.

These omissions – along with DEFRA's stated belief that the UK's food security can best be achieved by trade rather than home-grown production – suggest that the UK government is now hell-bent on bringing to an end as much agricultural production in the UK as it can achieve. This was recently supported by a report comment from SNH that "country does not need food production any more".

The SCF suggest to the Royal Society of Edinburgh that elements of government bureaucracy do not yet understand the dynamic and interrelated mode of thinking that is required to come to terms with the social and environmental problems that are increasingly becoming the focus of scientific, political and media attention.

As outlined below, there are many changes taking place in the upland and islands areas, not all of them positive. It is possible that that the economics of agriculture are in for a big shift and that production on marginal land will soon become viable, and necessary, again. However, in the meantime, if the government is serious about achieving sustainable rural development, many of these issues will need to be addressed - and with some urgency.

Although marginal in purely agricultural production terms, land management in the crofting area is still at the heart of the social structure and plays an important (if declining) role in the rural economy. On a wider European scale, the land management in the area also contributes to maintenance of a rich biodiversity – both within and outwith areas formally protected by EU or national environmental designations.

Main Drivers Of Change In The Uplands And Islands

- CAP reform

As widely predicted during the debate on CAP reform in 2003 / 04, decoupling of agricultural support payment in the absence of a meaningful and holistic system of support for public goods, is already having a significant impact on agricultural activity in upland and island areas.

Declines in activity of a major scale are reported, particularly in relation to sheep numbers. The sheep which have disappeared from the Highlands and Islands area in the last 5 years represent 86% of the total decline in the Scottish flock: this might suggest that decoupling is impacting more significantly in this area than in the rest of the country.

It appears that the larger estates and farms are the ones maximising their SFP returns by removing livestock completely and laying off farm workers. Not only is this in itself having an impact on the management of hill grazings and the economy of rural communities, but will also have an important impact on critical mass – as it is these larger units which support the haulier, feed merchant, vet etc on which smaller units also depend.

On many crofts and smaller units, it seems that there is evidence of slightly decreasing stock numbers and a concentration on inbye land and hill grazings nearer to the township. Many large common grazings are already or are likely to become completely unused for livestock.

Not all of this change is deleterious. It is undeniably the case that previous subsidy regimes had the effect in some areas of encouraging stocking beyond the sustainable carrying capacity of the land (although since the introduction of destocking incentives through various agri-environment measures it is pretty unlikely that there were many areas where this continued to be the case when the reform CAP was introduced in 2005).

Decline in cattle numbers overall is less significant, but in most crofting areas are continuing to follow the downward trend apparent for a number of years. Decoupling does not yet appear to have speeded up this process to the extent that has happened for sheep numbers. This might partly be on account of the direct incentive in the Less Favoured Area Support Scheme for the retention of cattle. Regrettably, this incentive has disappeared from the 2007-09 scheme.

The European Environment Agency definition of High Nature Value Farming recognises the role that extensive agricultural land management plays in maintaining and increasing biodiversity. Traditional crofting management of land; typically a mosaic of semi-natural habitats and small areas of improved arable and pasture fits well into this model. Abandonment of extensive land management, in some, although not all, cases will lead to declines in biodiversity.

There is also evidence that the expectation of a Single Farm Payment, in some cases seen as much-needed pension, is preventing young people from having access to farming or crofting. The trading of the SFP as a commodity on financial markets is also removing the possibility of access to support by new entrants.

However, the crofting economy is wider than conventional market economics. Although the price you get at the mart is important, crofting is also about decreasing expenditure. As one crofter told a meeting recently. "I know I have something that most people in the country would give their eye-teeth for – I have a polytunnel full of the best vegetables you can possibly get and my freezer is full of meat money just can't buy!"

- the absence of meaningful and holistic support for the delivery of public goods

The 'Custodians of Change' report produced in 2002 for the Scottish Executive by Prof. Jeff Maxwell et al suggested that:

"The single greatest impediment to developing a multi-functional agriculture is the lack of a coherent funding system that explicitly links public funding to the production of public goods"

Since that report was written, this situation has not improved. In 2007 there has been no support scheme available at all.

Although there is potential that the new Scottish Rural Development Plan could provide more integrated support for multi-functional agriculture and sustainable rural communities than its predecessors, this might be seen as purely optimism on our behalf, as there is no real evidence of a concerted change in mindset in regard to the support mechanisms contained within it. The focus still appears to concentrate overmuch on returns to the farm business and making sure you can 'get your modulated money back' other than any real attempt to assess and address market failures and provide realistic support for public goods delivery.

Many of those coming out of agri-environment agreements, who followed the signals of government and based their survival on this new direction of public policy, are currently left high and dry by the lack of available follow on. Shortage of funding meant that the Rural Stewardship Scheme became more competitive even than normal on account of a shortage of last year meant that saw only 22% of applicants succeeding

Frequently, from a crofting point of view, support is not appropriate in scale or approach – the Land Management Contract Menu Scheme 2006/07 was one example of a scheme where crofting was made to 'fit'. Common grazing land was excluded on the basis that it fell into the 'too difficult' category administratively and rates of intervention for the things which would benefit many crofting areas were inappropriate and unrealistic. For many the returns from the scheme over the small areas of inbye land involved (in some parishes we studied, we found payments as low as £12 for the whole unit for the year) did not justify spending the time reading the 80 pages of guidance and completing the form.

Major support mechanisms which could have a real impact on the retention of agricultural activity in upland and island areas are also frequently mis-targeted. The mapⁱⁱ shows the allocation of Less Favoured Areas Support in 2005, based on SEERAD figures for the average payment per parish. **Support rates are higher on better land.** This is surely a bizarre situation.

This distribution will alter only slightly in 2007, with producers in islands receiving a 10% increase on their payments in previous years. The highest individual payment is

received in East Lothian.

The SCF urge the Royal Society of Edinburgh to add its voice to the many who are pressing the Scottish Executive to rectify the injustice of mis-targeted LFASS.

- Environmental designations

The UK has international commitments to reversing biodiversity decline by 2010. EU and national designations are in place in an attempt to ensure that areas of high biodiversity are protected, managed appropriately and enhanced. However, financial instruments designed to achieve this are not being well-targeted to do so. Principal among these for the wider land area is the Rural Development Programme, whose shortcomings in implementation in Scotland are described above. Even for the Natura 2000 network however, it seems that appropriate support is often not available. For example, of 37 arable machair sites designated, a recent survey found that 34 of these are no longer in favourable conservation status for the interest for which they were designated. This is largely on account of crofters on the machair being obliged, for economic reasons, to adopt more commercial, mechanised practices and the absence of realistic support mechanisms to incentivise more traditional, more labour-intensive, lower output systems.

It is also important that the conservation movement is able to see and reward traditional agriculture as a supporter of their movement rather than a stumbling block to it. There is a feeling among crofters that SNH and other environmental bodies who have genuine concerns about the area's wildlife have still to properly come to terms with and materially support traditional, high nature value, agriculture systems.

The balance between environmental protection and sustainable development is evolving, but has some way to go. There is a perceived danger that using environmental legislation to prevent community development could become a new form of colonialism in the Highlands and Islands. Environmental designations should be regarded by SNH as enabling communities to continue the practices that have supported wildlife, rather than prohibiting their economic development needs.

- Crofting land use, demography and the market

We will not rehearse here many of the arguments about future directions for crofting policy which have been debated widely during the Crofting Reform Bill process and which continue to be debated in the subsequent Crofting Inquiry. Suffice it to say, that there are many who would like to be engaged in active crofting who are not, and many who have access to crofts who are not engaged in crofting activity. The reasons for this are many and varied – partly the economics of land use activity, partly demographic influences and partly the decreasing regulation of the system and move towards the open market.

The demographics of the hill and island areas, the more remote areas, are changing – the average age is getting higher, young people are moving away, areas are often populated by retired people and many houses are owned as holiday homes and lie empty much of the year. Much of this is due to the housing shortages in the rural areas which is nothing short of a national disgrace and will single-handedly hamper any form of sustainable development in these areas.

There is a need for more housing in all strata and this has implications on land tenure, community ownership, asset based development and crofting that are too complicated

to do justice to in this paper. However, it is important to reiterate that crofting has kept people in these areas for centuries and can continue to do so if properly facilitated.

Future Directions

- Supporting the decline of industrial agriculture

The SCF recommend that the RSE committee considers the break-up of large industrial agricultural units into smaller lots more in harmony with the needs of the 21st century. This is because it is becoming increasingly obvious that industrial agriculture, with its high inputs of pesticides, artificial fertilisers and fossil fuels, is a two century old experiment the results of which are now known – whilst capable of producing cheap food, it does so at much wider cost.

Wildlife organisations such as RSPB, Plantlife and Scottish Natural Heritage all make the same point. Industrial agriculture is an environmental failure, it damages biodiversity and is bad for the planetary systems on which life depends. It is an economic failure too. Essex University academic Jules Pretty has shown clearly how the negative environmental effects of intensive agriculture cost billions of pounds to the taxpayer each year in uncoded 'externalities'.

In the long term, industrial agriculture has also been a social disaster, clearing people from strong and stable land based communities into urban environments where many of the great social problems of our time proliferate.

- Supporting the renaissance of small-scale agriculture

The SCF recommend that the RSE commission supports the extension of a crofting type system of agriculture throughout rural Scotland, supporting the renaissance of declining rural communities by offering the opportunity of an agricultural system that encourages communal, co-operative and local production, distribution and consumption of food.

The European Environment Agency (EEA) definition of High Nature Value farming recognises the role that extensive agricultural land management plays in maintaining and increasing biodiversity. Traditional crofting management of land; typically a mosaic of semi-natural habitats and small areas of improved arable and pasture fits completely into this model. However, these systems will not exist as creatures of market forces.

Appropriate and targeted support for the delivery of public goods is required. A positive example is on the Balmacara Estate in Lochalsh, where the NTS is piloting a local management system designed to support the type of habitat management that gives rise to an interesting landscape and rich biodiversity.

A scheme encouraging grazing cattle on communal land at a level of intensity that encouraged biodiversity is not outwith the bounds of possibility (eg. Danish scheme) and could be a future direction for LFA support if implemented correctly.

The UK government has to claim derogations that are available under EU food hygiene legislation for smaller producers – the current attitude adopted, generated by the poor bio-security and health standards found in large scale factory food production, is stifling small producers and preventing the consumer from accessing

healthy food from their own locality.

- *supporting asset-based community-led development*

The asset based approach to community development as outlined in the Carnegie Charter, will be undermined if the Scottish Land Court continues to hold that a community is not entitled to all the rights that go with the purchase of land. It must be made clear to the Land Court that it is to interpret crofting law in the spirit of the mood of the times.

The encouragement of community-led development projects such as community housing initiatives and community energy generation could dramatically change the fortunes of the hill and island areas of Scotland.

- *supporting regulated land use*

Crofting has served as a very successful environment for the sustaining of populations in hill and island areas of the most remote, marginalised and fragile areas of Scotland. It should be seen as a model that can be extended to other parts of Scotland but with the proviso that it retains a robust regulatory system – it is this that has made it work.

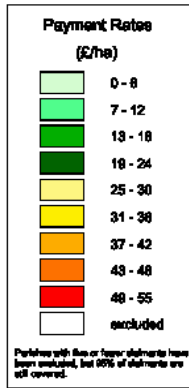
There are other similar models of land regulation to be found in other countries that the RSE can, and surely will, use to inform their recommendations.

i **Acts of Omission**

The following are three recent examples which, by omission, undermine attempts to strengthen rural communities and land tenure.

1. *The Land Reform Act (2003)*: This Act contained no protection against interposed leases (which have been highlighted by the recent Pairc Crofters case at the Scottish Land Court). This was despite warnings to the Scottish Executive about the problem of interposed leases before the legislation was enacted.
2. *The Crofting Reform Act (2007)*: This Act contained no protection against serial and multiple decroftings despite the massive outcry against the Crofters Commission's policy on decrofting. This omission occurred despite the commission having every opportunity to change the legislation in advance – especially as the commission's chief executive was also in charge of the Crofting Reform Bill.
3. *The Planning Act (2007)*: This Act ought to have continued the long history of supporting the core planning principle of protection for our countryside. Chief among its predecessor's provisions used to be the protection of arable land from development. That is no longer there in the legislation.

AVERAGE LFASS PAYMENT BY PARISH



Date source: ??????????????
Copyright Highlands and Islands Enterprise

