

Institution: University of Kent		
Unit of Assessment: 16: Economics and Econometrics		
Title of case study: Making Family Farming Sustainable: Facilitating Communication and Market Engagement and Implementing Policies that Improve the Wellbeing of Family Farmers		
Period when the underpinning research was undertaken: 2008-2018		
Details of staff conducting the underpinning research from the submitting unit:		
Name(s): Sophia Davidova Alastair Bailey	Role(s) (e.g. job title): Professor Professor	Period(s) employed by submitting HEI: 2006-present 2006-present
Period when the claimed impact occurred: 2008-2019		
Is this case study continued from a case study submitted in 2014? No		
<p>1. Summary of the impact (indicative maximum 100 words)</p> <p>Research by the School of Economics at the University of Kent resulted in recommendations to the UN Food and Agricultural Organization (FAO) to provide internationally comparative statistics on family farming. As a result, FAO created the digital 'Family Farming Knowledge Platform', providing statistics and policy information to governments, NGOs, and farmers. The statistics are helping to improve policies on family farming.</p> <p>Furthermore, research by the School enabled the implementation of two new policies in Kosovo to lift the poorest farmers out of poverty. The first provides grants to help farmers with commercialisation. The second advances a bottom-up, LEADER-type approach to rural development, supporting investment in human capital and cooperation projects to mitigate rural out-migration.</p>		
<p>2. Underpinning research (indicative maximum 500 words)</p> <p>The body of research that underpins the impact outlined in this case study was undertaken by Professor Davidova and Professor Bailey (both Professors of Agricultural Economics at Kent), together with PhD student Alberto Zanni and co-authors from other UK universities. Davidova is a world-leading expert on policy for small farmers in European countries. Her research and the resulting impact are motivated by the key contribution of small family farmers to food security and the management of natural resources.</p> <p>R3 investigated the subjective determinants of farmers' participation in agricultural markets in Central European countries, characterised by large semi-subsistence sectors that yield meagre incomes for those involved. Access to technical advisory services and market information were the two factors significant to all sample farmers despite their heterogeneity. While structured information on larger farm businesses is available, data on smaller family farmers is insufficient. This information barrier prevents the more nuanced understanding of the challenges faced by small family farmers in their market integration, and thus the implementation of evidence-based policies. The findings concerning imperfect information [R3] formed the basis of Davidova's policy recommendations to the UN Food and Agricultural Organization (FAO) [R4] to improve statistics in order to monitor the development of family farms and their policy needs, and contributed to the eventual implementation of a digital platform that enables knowledge exchange.</p> <p>R1, R2, R5 and R6, in turn, formed the basis for two new policies that were implemented in Kosovo to improve the economic viability of family farmers. R2 recommended the introduction of policy</p>		

support to facilitate increased market integration of semi-subsistence farms in order to bring longer-term welfare benefits and help mitigate short-run costs and risks. **R2** suggested that, in order to be effective, this support should be conditional on measures to increase the human capital of beneficiaries. **R6** provided further evidence that investment in human capital should be prioritised. Employing a dynamic model, it formulated two hypotheses concerning the incremental output effect of family labour: (1) the motivation hypothesis, based on the lower monitoring costs associated with family members in comparison to hired workers; and (2) the management capabilities deterioration hypothesis, linked to the restricted pool of family labour, which may not possess the required skills. The empirical application showed that on low technical-efficiency farms the management capabilities deterioration effect offsets any positive effects of loyalty of family labour, calling for the training of family labour.

However, improving the wellbeing of small family farmers depends not only on agricultural policy, but also on rural development in areas that host these farmers in order to mitigate pushed rural out-migration. The research on Kosovo revealed a significant adverse effect of rural out-migration on farm technical efficiency **[R5]**. **R1** employed a discrete choice experiment in an underdeveloped region of rural Slovenia, which shares a common economic history with Kosovo, to provide understanding on how to manage rural labour adjustments in a country in transition. Results revealed that when faced with a choice of jobs and residence, individuals consider not only the wage, but also non-pecuniary factors, in particular service infrastructure. These results show that policy-makers should be informed about inhabitants' preferences in order to mitigate out-migration by designing policies that achieve a better distribution of service infrastructure across the territory.

3. References to the research (indicative maximum of six references)

[R1] Zanni, Alberto, Bailey, Alastair, Davidova, and Sophia M. (2008). 'Analysis of the Vocational and Residential Preferences of a Rural Population: Application of an Experimental Technique to Rural Slovenia', *Spatial Economic Analysis* 3 (1), pp. 89-114. ISSN 1742-1772. doi: <https://doi.org/10.1080/17421770701775465>

[R2] Davidova, Sophia M. (2011). 'Semi-Subsistence Farming: An Elusive Concept Posing Thorny Policy Questions', *Journal of Agricultural Economics* 62 (3), pp. 503-524. ISSN 0021-857X. doi: <https://doi.org/10.1111/j.1477-9552.2011.00313.x>

[R3] Kostov, Philip, and Davidova, Sophia M. (2013). 'A Quantile Regression Analysis of the Effect of Farmers' Attitudes and Perceptions on Market Participation', *Journal of Agricultural Economics* 64 (1), pp. 112-132. ISSN 0021-857X. E-ISSN 1477-9552. doi: <https://doi.org/10.1111/j.1477-9552.2012.00366.x>

[R4] Davidova, Sophia M., and Thomson, Kenneth (2013). 'Family Farming: A Europe and Central Asia Perspective: Background Report for FAO Regional Dialogue on Family Farming: Working Towards a Strategic Approach to Promote Food Security and Nutrition'. <https://kar.kent.ac.uk/64951/>

[R5] Sauer, Johannes, Gorton, Matthew, and Davidova, Sophia M. (2015). 'Migration and Farm Technical Efficiency: Evidence from Kosovo', *Agricultural Economics* 46 (5), pp. 629-641. ISSN 0169-5150. doi: <https://doi.org/10.1111/agec.12159>

[R6] Kostov, Philip, Davidova, Sophia M., and Bailey, Alastair (2018). 'Effect of Family Labour on Output of Farms in Selected EU Member States: A Non-Parametric Quantile Regression Approach', *European Review of Agricultural Economics* 45 (3), pp. 367-395. ISSN 0165-1587. doi: <https://doi.org/10.1093/erae%2Fjbx036>

4. Details of the impact (indicative maximum 750 words)**Global Impact on Information Provision enabling Improved Policies on Family Farming**

The United Nations recognised the key contributions of family farmers and the need of adequate policy response on a global scale by declaring 2014 as the International Year of Family Farming. Professor Davidova's longstanding research expertise on small semi-subsistence farmers led to her being invited to contribute to global UN events. Davidova's Background Report, commissioned by the UN FAO Regional Office for Europe and Central Asia [R4], drove awareness in the FAO Member Nations of the need for information on family farming and policy impact assessment. The report was presented on 11-12 December 2013 in Brussels at the FAO Regional Dialogue for Europe and Central Asia on 'Family Farming: Working Towards a Strategic Approach to Promote Food Security and Nutrition', where Davidova acted as keynote speaker [a]. The meeting had a wide reach, involving around 100 stakeholders from 27 countries, including representatives of governments, UN, NGOs, and farmers' organisations [b]. FAO uploaded a summary of the report, emphasising that it 'aims at facilitating the Regional Dialogue for Europe and Central Asia, and the preparation of the outcome document' [c].

One of the policy recommendations in the report was for FAO to provide internationally comparative statistics on family farming, and to regularly assess whether policies are conducive to family farmers. Subsequently, in October 2014, at the Global Dialogue on Family Farming, summarising the lessons learnt from the Regional Dialogues, FAO presented the decision to launch a digital 'Family Farming Knowledge Platform' to 'facilitate policy discussions, policy design and decision making by providing easy online access to sources and fostering knowledge and information dissemination' [d]. The Platform was launched in 2015, and provides a wide range of resources and statistics to governments, NGOs and farmers.

Implementing Better Policies on Family Farming in Kosovo to Improve Commercialisation

As a result of Davidova longstanding research on semi-subsistence family farmers in Europe, as well as her expertise in working with the Ministry of Agriculture, Forestry and Rural Affairs (MAFRD) in Kosovo [e], she was invited by the FAO Regional Office for Europe and Central Asia to contribute to the project 'Capacity Development of MAFRD in Kosovo to Improve Commercialisation of Small and Family Farmers (TCP/KOS/ 3602)' [f]. The policy recommendations stemming from the underpinning research were presented by Davidova at a stakeholders' workshop in MAFRD in December 2018, involving Ministry and Agricultural Development Agency officials, farmers' organisations, NGOs, and foreign donors, with a call for actions [g]. Subsequently, Davidova and Bailey organised a policy workshop at the University of Kent, with the participation of FAO, representatives of MAFRD, the World Bank, and other organisations to discuss the practical implementation of research recommendations.

During the follow-up three-day bilateral meeting with the Permanent Secretary of MAFRD and the Chief Executive of Agricultural Development Agency in Kosovo, an agreement was reached to introduce two new policies to help overcome the low level of market integration of family farmers and to generate a bottom-up LEADER approach to rural development [h]. These policies have already been implemented. The first new policy provides for start-up grants to semi-subsistence farmers designed to promote market engagement through increase in their assets, accompanied by training. This is a major policy improvement, since it lifts asset-poor households out of poverty. The second policy is related to rural development measures, designed to curb rural out-migration. In the first year of implementation, around 600 grants were disbursed. The implementation of the LEADER approach supported 12 Local Action Groups, involving the local population with a focus on upskilling and developing cooperation projects [i].

The research impact on implementation of these new policies has relevance for countries in the wider FAO Europe and Central Asia region, which are populated by small family farms facing high transaction costs to increase their market engagement [j].

5. Sources to corroborate the impact (indicative maximum of 10 references)

[a] Food and Agricultural Organization of the United Nations (FAO) Regional Dialogue for Europe and Central Asia programme on 'Family Farming: Working towards a strategic approach to promote food security and nutrition', where Davidova acted as a keynote speaker (December 2013).

[b] Press Release following the FAO Regional Dialogue for Europe and Central Asia conference, outlining the reach and significance.

[c] FAO summary report for Regional Dialogue on 'Family Farming: Working towards a strategic approach to promote food security and nutrition'.

[d] FAO Global Dialogue on Family Farming (October 2014), including the Presentation of 'Family Farming Knowledge Platform'; see especially p. 26.

[e] Letter from Executive Director of CNVP to corroborate Davidova's engagement with the Ministry of Agriculture, Forestry and Rural Affairs (MAFRD) in Kosovo.

[f] Letter from the FAO Regional Office for Europe and Central Asia, outlining Davidova's contribution to the 'Capacity Development of MAFRD in Kosovo to Improve Commercialisation of Small and Family Farmers (TCP/KOS/: 3602)' project.

[g] FAO MAFRD Validation Workshop Agenda (December 2018), where Davidova presented policy effects and recommendations.

[h] Development of new policy measures for Kosovo from the CEO of Agriculture Development Agency.

[i] Letter from the CEO of Agriculture Development Agency, confirming implementation of the two new policies in Kosovo.

[j] Letter from FAO Regional Office for Europe and Central Asia, outlining the valuable effect of the new policy recommendations.