

**DRAFT WORKING PAPER**

**BREXIT, Wales and AGRI-FOOD: Can we manage Disruptive Governance?**

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## Summary

This paper explores the impact of Brexit on several significant aspects of the UK's food governance. It focusses, in particular, on Wales's agri-food and rural sector and argues that both possibilities and powers are being dramatically disrupted. Far from providing Wales with an opportunity to 'take back control', Brexit heralds a concentration of power in Whitehall.

The paper argues that we are witnessing the impact of an unfamiliar type of 'Disruptive Governance'. We are not arguing that there have been no previous historical occasions when radical governance disruptions occurred, but we are highlighting the relative novelty in the current circumstances— not seen in the UK since the end of the Second World War. Sometimes it seems as if the disrupters sought change as an end in itself. But we maintain that almost always those actively trying radically to disrupt governance regimes are doing so as a means to achieve a particular preferred outcome. Moreover, the plausibility of, and support for, narratives favouring disruptions depend in part on tactically concealing their intended outcome. While a few Brexiteers are explicit about their neo-liberal passions, and their aspirations to ignite bonfires of 'burdensome red tape and regulations', too many others provide little or no clarity about their aspirations post-Brexit. It is one thing to say: 'we will take back control', but another to explain who will be in control, or what the changed rules will be. The failure of the so-called European Research Group (or ERG) of radical Parliamentary Brexiteers to provide an alternative plan to that advocated by the Prime Minister demonstrated that they either had no plan, or had at least as many plans as the ERG has members. While other EU countries, eg Germany, have strong and consistent regimes of sub-national governance, the UK has established three devolved administrations; no two of which have the same powers. Ironically, London's economic and political powers are dominant, while the English regions are under-resourced even to exercise the few powers allocated to them.

We argue here that this process of *Disruptive Governance* is having serious adverse impacts on the agri-food sector, and the impacts in Wales are in several important respects distinct from those elsewhere in the UK. Brexit could well aggravate the vulnerabilities on what is already a highly unsustainable sector. For both UK consumers and the agri-food sector, and our EU agri-food trading partners, this *Disruptive Governance* is alarming enough. For Wales, the limitations on its powers and institutional capacities to adapt are being laid bare by the de-stabilising consequences of Westminster's chaos.

This paper argues that a paradox lies at the core of the idea this particular and new variant of *Disruptive Governance* that is afflicting the UK. On the one hand, there is an influential political narrative about taking back control, while the reality is that UK institutions are being weakened, in part because of short-termism and uncertainty. On the other hand, the weak and unstable fluidity actually opens up possibilities for radically changing the agri-food system in a direction towards a system that could provide substantially enhanced food security, and a system that would improve environmental and socio-economic sustainability, providing a food supply that is sufficient, safe, nutritious and equitable. Long before the Brexit referendum, it was clear that the UK food system cried out for radical change – to tackle climate change, biodiversity loss, massive diet-related ill health costs, and more. **The paper therefore discusses why the development of, or commitment to, such a rational and integrated agri-food policy for a post Brexit UK has not been on the agenda, and is so difficult to progress.**

Wales' position in the multi-level governance that has been slowly developed over the last half century is being disrupted. A new UK-wide and divisive process of governance re-settlement is underway. The multi-level settlement, in which a pattern of weak regions wanting more powers

from a strong centralised UK government, obtained support from being part of a federated EU. The EU counter-balanced its centralisation and harmonisation with its own regional policy, but Brexit disrupts that regime. The EU 'siphon' of support, which came to poorer UK regions, was strongly supported in the Referendum in Scotland and Northern Ireland but not Wales which voted to leave the EU, though by autumn 2018 signs of regret were evident. Since the Referendum, Wales has been negotiating with the UK government for increased powers, while Scotland also wants greater autonomy, but is also playing a grander policy game of seeking a special status for Scotland by remaining in the Customs Union and Single Market.

The paper concludes that in this context of disruption, the Wales Assembly Government should argue more forcefully and indeed insist on stronger two- and four-way channels of communication and coordination, to enhance Welsh autonomy, without disrupting the interdependencies between the agricultural and food systems of the four nations on which the UK is composed. Brexit is a profound challenge to Wales, yet it ought also to be an opportunity; the question is: can and will Wales re-design its agri-food, regional and rural development policy for the public good?

## Introduction

This paper addresses an issue barely discussed in the UK debates about Brexit – namely how does and will it affect Wales? The impact on Wales was raised in an earlier paper for the Food Research Collaboration, as part of a concern about an English-dominated political vote changing the status of the UK's devolved administrations – Scotland, Wales and Northern Ireland.<sup>1</sup> While in 2016 Scotland and N Ireland voted strongly to remain in the EU, Wales was more ambivalent, although by late 2018 voting preferences had shifted towards remain.

As the temperature of Brexit politics rose, Northern Ireland came to dominate the Brexit discourse in relation to the UK's devolved administrations. The EU, more than the UK, has been adamant that the provisions of the Good Friday / Belfast Agreement should not be breached. In no way denying the importance of that priority, the present paper addresses the significance of Brexit for Wales.

This paper argues that Brexit is a massive and potentially long-running experiment in what we call '**Disruptive Governance**'. This concept is used to recognise that some political activists, mostly but not all on the neo-liberal Right, see disruption as a desirable and positive thing. They did not like or accept the political settlement that had emerged within, and beyond, the UK over recent decades. From their perspective, disruption is a necessary step towards the UK becoming a more autonomous and powerful nation state. Brexiteers might thus want to characterise their movement as one that will achieve 'creative destruction'; though when in 1942 the economist Schumpeter introduced that term he was highlighting capitalism's unremitting technological dynamism as a driving force for global economic evolution, not referring to the political status of individual national states.<sup>2</sup> As we shall see, however, the implications of Brexit for the agri-food system in Wales are far more destructive than creative; and the implications for the rest of the UK are similarly problematic.

With a formal Brexit not yet in place but the March 29 2019 deadline fast approaching, this paper argues that Brexit is already disruptive. The food system's just-in-time logistics, which delivers food at short notice, with minimal storage, are underpinned by long-term plans and investments in land, farms and down-stream food processing and retail. Throughout the food system, Brexit-shaped decisions are already being taken, both because of and in spite of the uncertainties. Investments are

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<sup>1</sup> Lang T, E Millstone & T Marsden (2017). A Food Brexit: time to get real – A Brexit Briefing. Brighton: SPRU, University of Sussex, Cardiff University and City University of London. July

<sup>2</sup> Schumpeter J (1942) Capitalism, Socialism and Democracy. London: Routledge

variously being relocated or delayed. Currencies are recalibrated, making food imports more expensive. Workers essential to the UK food system are moving back to mainland Europe. Some crops have not been picked. A new pattern of active, messy, contradictory Disruptive Management has emerged. And the impact on Wales' food and farming system has barely featured politically east of the Rivers Severn, Wye and Dee. Yet in Wales, the impact is immense.

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Box1

## **Wales agri: food some key facts and flows: the anatomy of vulnerability**

### **1. People<sup>3</sup>**

**Total farmers: 39, 903 (2016)<sup>4</sup>**

**Full time: 18 564**

**Part-time 21,339**

**Total number of workers: 12,000 (2017)**

**Full time workers: 4000 (2016)**

**1038 Vets in Wales 25% EU nationals.**

**Farms: Large number of farms with low turnover: 21,200 farms (86%) produce 29% of agricultural output but use 57% of farmed land.**

**There are 500 farms with a high turnover that contribute 33% of output but only use 8% of the farmed area.**

**78% of farm land is classified as 'disadvantaged'**

**Total income from farming per hectare: England £331, Scotland £116, Northern Ireland £246, Wales £ 102.<sup>5</sup>**

### **2. Products**

**Sheep and lambs 10.0million (2017)**

**Cattle and calves 1.1million (2017)**

**180,000 Farmed hectares (excluding common land)**

**64% permanent grassland**

**15% Rough grazing**

**Arable 5%**

**Fisheries lands 25,300 tonnes of seafish per year worth £38.8 million, 851 employed**

**Other grassland 9%**

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<sup>3</sup> The Farm Business Survey in Wales 2016/17.

<sup>4</sup>Welsh Agricultural Statistics, 2017. Welsh Government.

<sup>5</sup> Brexit and our Land: securing the future of Welsh farming (2018) Welsh Government.

**Land down to Horticulture: 0.1%**

**Other land 7%.**

**306,000 hectares of forest: 49% broadleaf: 51% commercial conifers (15% Of land area.) 2000 jobs.**

#### **4.Flows<sup>6</sup>**

**96% of sheep meat exports to EU27: a third of Welsh lamb 63,000 tonnes of sheep meat per year**

**47700 tonnes of beef produced a year some exports to EU (15-17 %) some 90% of beef exports to EU. Republic of Ireland represents 70 % of imports to UK (including Wales).**

**1.8 billion litres of Milk per year from 1700 dairy farms (50% processed in Wales, mainly for cheese) 50% of milk is exported to UK.(some EU)**

**There are only 389 (1%) horticultural farms in Wales; 54% vegetables, 43% orchards.**

**Tourism accounts annually for £2,870 million creating over 100,000 jobs**

**Agriculture generated £385 million.**

**Food and drink supply chain employs 240,000 people in 2016 in 27,575 business units, turnover 91.1 billion, GVA of 4.5 billion.**

**Rising food exports from Wales: 113% growth in value between 1999-2013, mainly (90%) to EU.**

**18% of all employment in food, 22% of all business units.**

**85% of food businesses are micro**

**, employing fewer than 10 people.<sup>7</sup>**

**15 Welsh products have EUPGI status.**

#### **4.Funding**

**Wales receives £760 million per annum from the EU<sup>8</sup>.**

**The annual overall 'Barnett' Welsh budget is £15.5 billion; 6 billion goes on health<sup>9</sup>**

**EU funding (for agriculture and regional development) is less than 10% of Welsh health budget.**

**Wales receives more per capita for these funding mechanisms than English regions**

**Support payments for agriculture (pillar 1 and 2) is the largest amount in Wales of EU funding amounting to 2.8 billion between 2014 and 2020.**

**Welsh government also 'match funds' EU funds (50% East Wales, 32.6 % Rural Development (Pillar 2) and 30.9% West Wales and the Valleys.**

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<sup>6</sup> See Summary of EU Exit Scenario Planning Workshops. Welsh Government

<sup>7</sup> Towards Sustainable Growth: An Action Plan for the Food and Drink Industry 2014-2020. Welsh Government.

<sup>8</sup> National Assembly Finance committee report: replacing EU funding for Wales. September, 2018.

<sup>9</sup> Bell, D (2018) Evidence for the Finance Committee of the National Assembly of Wales. June 2018.

**The average Welsh(dairy) farmer receives £32,300 per annum and each sheep farmer an average of £19.3thousand per annum.**

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The paper discusses the key food, farming and rural perspectives and vulnerabilities emerging from debates in the Wales Assembly Government, exploring whether these can adequately respond to the scale of Brexit-induced disruption. And we consider how developments in Wales exemplify the wider disruptions of the UK's devolved administrations.

In Box 1, some key summary statistics of the extant vulnerability of the Welsh Agri-food sector are provided, under the headings of people, products, flows and funding. In rural Wales, and in the upland areas of Scotland and Northern England, **the onset of Brexit significantly disrupts ALL four of those spheres in interconnected and potentially negative feedback linked ways.** Farms and farming families are likely to continue to go out of business; uncertainty over subsidies and blockages in markets (especially for red meat and fisheries) are likely both to constrain existing modes of production as well as the transitions needed to more sustainably agro-ecological farming practices. Welsh farmers are highly dependent on complex interconnected markets, not only with continental EU countries but also with Ireland, and Brexit could well disrupt those connections, and territorial quality standards (such as Protected Area status Welsh Beef and Lamb) challenged and potentially devalued. The future of funding mechanisms, not just for agriculture, but also for regional and rural development, are unpredictable. Welsh agri-food businesses are highly integrated with English processors and markets. Despite significant proportions of EU rural and regional development funding being invested in Welsh food businesses, there are real dangers of further spatial concentration of the processing and retailing sectors, as the 'friction of distance' becomes greater.<sup>10</sup> If processors relocate away from Wales, there is a risk that Welsh farmers would become uncompetitive, as sources of raw materials. These multiple and interconnected vulnerabilities are not of course peculiar to Wales alone. Similar challenges afflict much of Northern and Western England and most of Scotland.

### **Meeting the challenges of a post-Brexit policy landscape**

The Food Research Collaboration's (FRC) series of Food Brexit briefing papers have been challenging the UK Government to release the facts and evidence about the consequences of Brexit to the public, to consumers and producers. 18 months after the Referendum, this began to emerge, albeit under duress from the cross-party House of Commons Committee on Exiting the EU. On 21 December 2017, that Committee published 39 sector reports.<sup>11</sup> One was on agriculture, animal health and food and drink.<sup>12</sup> In January 2018, there was a cross-Whitehall briefing.<sup>13</sup> Those initial sector impact statements were vague and slight. The Agri-Food document just summarised the state of the UK food system, failing to spell out how any variants of Brexit might affect it; it was not an impact statement at all. Then, seemingly stung into action by the rising prospect of a no-deal Brexit

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<sup>10</sup>See Prosperity for All: economic action plan. Welsh Government (2017). And Welsh Food Action Plan 2014-2020 op cit.

<sup>11</sup>Committee on Exiting the EU (2017). Department for Exiting the EU Sectoral Analyses Inquiry. London: House of Commons. <https://www.parliament.uk/business/committees/committees-a-z/commons-select/exiting-the-european-union-committee/inquiries/parliament-2017/department-sectoral-analyses-17-19/publications/>

<sup>12</sup> HM Government (2017). Agriculture, Animal Health, and Food and Drink Manufacturing (including Catering, Retail and Wholesale) Sector Report. London: House of Commons Exiting the EU Committee, December. <https://www.parliament.uk/documents/commons-committees/Exiting-the-European-Union/17-19/Sectoral%20Analyses/2-Sectoral-Analyses-Agriculture-Report.pdf>

<sup>13</sup>Committee on Exiting the EU (2018). EU Exit Analysis: Cross Whitehall Briefing. London: House of Parliament Committee on Exiting the EU, March.

(which some in the Government party actively want but few others do), a series of Guidance Notes began to emerge in August 2018.<sup>14</sup> The choice of topics was strange, seemingly randomly chosen pin-points of light in a darkened policy space, but ones which did little to clarify what might happen to the UK's food sector. The public was left almost wholly in the dark.

In February 2018 England's Department for Environment, Food and Rural Affairs (Defra) produced a Consultation Paper optimistically titled 'Health and Harmony', which did not mention food or human health at all.<sup>15</sup> Defra then produced in September 2018 an Agriculture Bill,<sup>16</sup> which barely mentioned food, did say useful things about fair financial distribution across the food chain, but mostly promised limited ecosystems sensitive land management, and prepared for tapering subsidies two years after Brexit.

What was Wales to do in the face of these disjointed policies? One option, was to challenge the simplistic narrative that 'Brexit means Brexit'. Wales' political classes are acutely aware that Brexit is nothing less than a total restructuring of the UK's relationship with its neighbours, i.e. far more than the simplification implied by the tautological mantra. For food, this is immensely important, as the FRC Food Brexit briefing papers have shown. Far too little attention is being paid to the domestic (both UK wide and its devolved regions) post-Brexit food policy landscape; both in terms of opportunities and the considerable threats.

What is clear is that, in the key UK 'Europeanised' policy areas of environment, agri-food and trade, there will be a urgent need in Westminster and the devolved regions to develop new institutional capabilities and to implement new policies. Deals are being mooted by Westminster politicians with the USA, the former colonies, almost anywhere except Wales or Scotland. Yet clarity is urgently needed about new trans-boundary and UK cross-border co-operation for the devolved regions of the UK as well as for the very divided and unequal English regions. Surely, if Brexiteers were serious about allowing people to 'take back control', they would be proposing enhanced devolved powers and consulting on their proposals.

Such a prospect sits rather uncomfortably, of course, with the aspirations of some of the most enthusiastic Brexiteers, who advocate leaving the EU as a step towards dismantling regulations, which they portray as burdensome, to liberate entrepreneurship, commerce and trade. This is why the issues FRC's Brexit briefing papers have raised concerns about the risk from Brexit to UK food security, including the threat of declining standards, reduced access to decent diets, lack of affordability, and diminished animal welfare<sup>17</sup> – have resonated with the British public and media. The UK public did not vote for a 'race to the bottom' in trading and food standards; nor continued declines in rural and farm businesses; nor reductions in environmental protection. A socially just, and environment-protecting Brexit would necessitate smarter re-regulation not de-regulation. A rural Wales, which currently relies on animal exports to the EU, needs to know whether the promises from London to maintain high standards will really be sustained, when faced by demands

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<sup>14</sup> HM Government (2018). How to prepare if the UK leaves the EU with no deal: Guidance on how to prepare for Brexit if there's no deal. London: HM Government <https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal>

<sup>15</sup> Defra (2018). Health and Harmony: the future for food, farming and the environment in a Green Brexit. Cm 9577 London; Department for Environment, Food and Rural Affairs.

<sup>16</sup> HM Government (2018). Agriculture Bill 2017-2019 London: Dept for Environment, Food and Rural Affairs. <https://services.parliament.uk/bills/2017-19/agriculture.html> [accessed September 12 2018]

<sup>17</sup> see the FRC Briefing Papers on [www.foodresearch.org.uk](http://www.foodresearch.org.uk); also the overview provided in Lang T, E Millstone & T Marsden (2017). *A Food Brexit: time to get real – A Brexit Briefing*. Brighton: SPRU, University of Sussex, Cardiff University and City University of London. July

from the US Secretary of State for Commerce, Wilbur Ross, that the UK must break with the EU's high food and environment standards.<sup>18</sup>

Michael Gove, English Secretary of State at Defra, and even Liam Fox, Secretary of State for Trade have said that prevailing standards will not be weakened. Yet noticeably there are no such statutory assurance in the current draft of the Agriculture Bill that is being scrutinised in Parliament. George Eustace, Farming Minister, indeed rejected a call by the Parliamentary Select Committee for Environment, Food and Rural Affairs (EFRA) for inserting legal protection of food production standards in trade deals as part of the Bill. He argued: 'Our view is (this) type of measure would probably not be right, because it is sometimes possible to recognise equivalence and our standards do not have to be identical in drafting regulations'.<sup>19</sup> Cynical observers wonder if US trade power will trump a weakened UK outside the EU, desperate for trade deals. And it will remain to be seen if devolved authorities have any powers at all in future trade agreements, or in agreeing terms and conditions of trade.

### The meaning of Disruptive Governance

These challenges for Wales' agri-food sector are currently far from being resolved or even adequately debated. It is as though few can believe the damage or uncertainty or frustration (one chooses which it is, according to political predilection) that might follow. Rational policy options and developments (whether dealing with future trading, food and rural development policy) are being neglected in the febrile atmosphere of what we term '*Disruptive Governance*'.<sup>20</sup>

Disruptive governance is often advocated as if it were an end in itself. That is however almost always as mis-representation; except in relation to a handful of anarchists. Most frequently disruptive governance is intentionally pursued, with the aim of shifting the governance system to a radically different type of future, and in the context of Brexit, the hoped-for future is a radically neo-liberal one, with entrepreneurs unencumbered for example by EU regulatory restrictions, so that they can enjoy a regime allowing for the free movement of resources, goods, capital and services, but not labour. Another, not entirely distinct, variant of disruptive governance is a decidedly nationalistic, rather than globalist, perspective that insists of rules and regulations, just as long as they serve particular national, or at any rate nationalist, agendas. These aspirations are, of course, not confined to the UK or Brexit. It can be seen in varied forms in North America, with the election of Donald Trump. re-writing of NAFTA trade arrangements, the abolition of US environmental protections, and in Latin America with fiscal austerity and the corporatisation of government, not least agri-business, for example in Argentina and Brazil. Those disruption are leading to higher levels of food insecurity for consumers, and greater vulnerability for farming families.<sup>21</sup>

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<sup>18</sup> Gordon S (2017). Wilbur Ross outlines US terms for post-Brexit trade deal, Financial Times, November 6. <https://www.ft.com/content/92ad2ee0-c309-11e7-a1d2-6786f39ef675>

<sup>19</sup> George Eustace, Farming Minister, EFRA Committee, December 5th, 2018

<sup>20</sup> It is important to point out that this concept is by no means restricted and indeed applicable well beyond the UK Brexit conditions. Most notably and built upon a rise of populist nationalism we can see wider geo-political variants of this disruptive governance in the ensuing NAFTA reorganisation of trade in North America; G20 resolutions on significantly reforming WTO and its rule-making powers; US-China trade re-organisation and disputes, and EU-Russian trade embargoes and especially Ukrainian relations. In this sense there are wider and multiple-layered levels of disruption to which a Brexit UK (and Wales) will be further exposed, post March 2019, whatever the actual shape of the Brexit 'deal'.

<sup>21</sup> For an analysis of this wider perspective, See Marsden, T.K, Moragus Faus, A and Sonnino, R (2018) Journal of Agrarian Change.



Given the historical centrality for the EU of the agri-food sector, which accounts for around 40% of all EU-wide expenditure and legislation, Brexit is hugely important to farmers and urban consumers and the entire UK food sector. In Wales, this is particularly so (see Box1). Should a food company stockpile? Yes or no? Should one invest, or delay, or re-locate? While farmers might continue their daily and annual practices, hoping (and/or praying) for the best; off the land the questions are more urgent and immediate. Labour flows, not just capital, have become uncertain. The Seasonal Agricultural Workers Scheme (SAWS) was ended by the UK government in 2014, maybe only to return for just two years from March 2019, and then only for 2,500 workers when the past SAWS recruited tens of thousands.<sup>22</sup>No wonder some horticulture firms are relocating their production to West Africa. This new Disruptive Governance the exposes the extent to which UK agri-food system has been ordered by the EC/EU wide regime during the last half century. Europe provided a combination of agreed measures to stabilise agricultural markets, and establish practices that are all now being disrupted. This has affects, of course on markets, as well as institutions and their regulatory practices. As we argued elsewhere, to disrupt Just-In-Time (JIT) food supply chains is folly. Yet, at present, the systems stumble on, threatened by growing uncertainties. The new order is disorder; and it seriously affects future markets, investment and economic outcomes.

Critics have already commented that there is little clarity from the government about the way forward for the UK food system. The Guidance Notes on food only began to be published in late summer 2018.<sup>23</sup>The government has no Food Plan or Strategy, just a dawning recognition of the prospect of accelerating disruption with many unintended consequences and an inability to control anything. Rising concern from one corner is countered by 'it will be alright eventually' or 'they'll sort it' from another corner. These fissures rather than attempts to find a common good and ground have become the *leitmotiv* of both governance and policy.

For example, when the Food Research Collaboration published its *Feeding Britain* report in July 2018, drawing on the Government's own figures on UK reliance on food supplies from other EU Member States, its concerns were dismissed by Defra; then just 48 hours later, another Secretary of State admitted there was contingency planning underway, and a few weeks later, the astonishing leak that the Transport Secretary of State was planning to hire a flotilla of ships to bring in food supplies!<sup>24</sup><sup>25</sup> This in the 6<sup>th</sup> richest economy on the planet. No wonder food industries are alarmed. Disruptive Governance is underway, actively attempting to shatter the prevailing regulatory structures and processes, in the belief that eventually this will create wider opportunities for creative actions. But if that were to occur, it would only be for the few, not the many.

Disruptive Governance is thus a deliberate political strategy, the eventual goal of which is not always acknowledged by its advocates. The governance arrangements that have been in place in recent years are increasingly portrayed by enthusiasts for disrupting those arrangements as if they were outdated and illegitimate.<sup>26</sup>Old fashioned political narratives focussing on the primacy of nation states, the benefits of liberalised markets, and the burdens of regulatory 'red tape' are emerging in

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<sup>22</sup>Defra& Home Office (2018). 'New pilot scheme to bring 2,500 seasonal workers to UK farms' London: Department for Environment, Food and Rural Affairs and Home Office

<https://www.gov.uk/government/news/new-pilot-scheme-to-bring-2500-seasonal-workers-to-uk-farms>

<sup>23</sup> HM Government (2018). How to prepare if the UK leaves the EU with no deal: Guidance on how to prepare for Brexit if there's no deal. London: HM Government <https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal>

<sup>24</sup>Parker G, J Blitz (2018) 'UK readies flotilla plan for supplies in no-deal Brexit', *Financial Times*, October 24, p1

<sup>25</sup> Blitz J (2018) 'Why Chris Grayling's flotilla plan will sink', *Financial Times Daily Brexit Briefing*, October 1, [www.ft.com](http://www.ft.com)

<sup>26</sup>Marsden, T.K, Hebinck, P and Mathias, E (in press). Re-building food systems: embedding assemblages, infrastructures and reflexive governance for food systems transformation in Europe. *Journal of Food Security*

the rhetoric of ‘taking back control’; but without being explicit about what is to be controlled, how or by whom? In this context agri-food is being collaterally embroiled in a new politics- a politics which sits between rationalist and clearly worked through evidence-based perspectives on the one hand and populist ideological promotions on the other.<sup>27</sup> The former proposes more integrated and systems thinking about food security, the latter promotes more fragmentation and disruption which would seriously compromise food security in the UK.<sup>28</sup>

For Wales, a small country with limited powers, the Brexit crisis disrupts the established ways in which it can operate within the *multi-level* governance frameworks which apply in the UK and the EU.<sup>29</sup> In Disruptive Governance, the political and territorial tectonic plates perturb their locations and what can be done at different governance levels, from the local to the global. A decade from the financial, food and fuel crises of 2007-8, and while enduring financial austerity, Disruptive Governance is further destabilising weakened regimes.

The UK’s legislative approach to leaving the EU legislation ostensibly just rolls over EU rules into UK laws, but there is no clarity on how they will be interpreted or implemented. In July 2017 Lang et al explained that there are dozens of links with food-related institutions and regulatory frameworks that will be disrupted if and when the UK leaves the Single Market and Customs Union.<sup>30</sup> Ministers might profess commitments to high standards, but the UK’s compliance will no longer be monitored by the European Environment Agency, and devolved administration will receive no European Regional Funds to help finance them. The UK will no longer have access to EU-wide research networks to provide relevant data, nor support from the European Food Safety Authority, but also little or no bargaining power in trade negotiations or at international forums.

### **The Disruptive Governance paradox: de-regulation or re-regulation?**

Amidst these multiple disruptions and discontinuities, we also detect a *new Disruptive Governance paradox*: hope amidst the turmoil. On the one hand, the UK is creating uncertainty as a new norm, and nobody knows for how long it will last. Uncertainties are unavoidable when Ministers protest they are committed to retaining ‘high’ food standards, while beginning trying to pre-negotiate trade deals with countries, such as the USA, which have lower food standards. On the other hand, severance from the EU could offer new opportunities to all, or parts, of the UK to forge a radically better direction our agri-food systems. Simultaneously, farmer and environmental interests argue for new subsidy and support-payment systems, and food consumer groups and some trade unions, are pressing for higher welfare and food quality standards. In the agri-food system therefore, **Disruptive governance may indeed unleash significant public counterforces which eventually undermines its plausibility.** This is a paradox of disruptive governance; **it could lead to the very**

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<sup>27</sup> There is clearly a strong and scientifically sound set of arguments developed by many agri-food experts (not least embodied in the FRC series of Brexit Briefing papers for adopting a normative systems perspective for food, based upon a wealth of knowledge, and indeed linked to wider sustainability, and UN Sustainable Development Goals. The point is that disruptive governance needs to at least side-step, marginalise, fragment this science, very much as fossil energy supporters challenge and attack recent IPCC climate change evidence. This is, as history shows most recently with EXXON and earlier strategies in the Tobacco industry, a political strategy which attempts to question the status of overwhelming scientific evidence. This is another critical element of disruptive governance- to diminish public science.

<sup>28</sup> See for instance : ‘ Our Common Ground’ Report of the Food , Farming and Countryside Commission from the Royal Society of Arts (Oct 2018) as one of many reasoned accounts of food system integrated thinking.

<sup>29</sup> Sjoblom, S et al, (eds) (2012) Sustainability and Short –term Policies: improving governance in spatial policy interventions. Ashgate, UK.

<sup>30</sup> Lang T, E Millstone & T Marsden (2017). A Food Brexit: time to get real – A Brexit Briefing. Brighton: SPRU, University of Sussex, Cardiff University and City University of London. July

**opposite effects to those originally intended: more public and institutional regulation rather than less, as food producers and consumers recognise the harm that such disruption will cause.**

For years, evidence has emerged from civil society, academia and progressive agri-food sectors that radical change is needed in how the British are fed, and well as in official reports.<sup>31</sup>The scale of changes needed is considerable. If the recent IPCC warning was taken seriously, the government and the food industry would recognise that there are just 12 years to contain average temperature rises to within 1.5 degrees centigrade.<sup>32</sup>Given that Wales is a major animal and dairy producer, and that livestock farming is a major contributor to greenhouse gas emissions, Wales ought to be helped to change. Across all of the UK, from the scandal of food banks to the food system's adverse impacts on the environment and public health, the scale of changes now needed is considerable.

**A Great Food Transformation is needed**, on a par with what was accomplished in the post Second World War period of reconstruction. Now, the redesign should focus on, for example, lowering carbon dioxide and other greenhouse gas emissions, while diminishing dietary inequalities and health outcomes; substantially increasing consumption of fruit and vegetables, while producing more at home; shortening food supply chains where possible; shifting more of the £204 billion UK consumers spend annually on food and drink to primary producers under a 'fair returns' policy, rather than subsidising farmers; encouraging young people into decently-remunerated employment on the land. But no such vision has yet emerged from any of the three main Westminster political parties.

If Brexit was really about UK citizens 'taking back control', policy would be directed towards enhanced food security, in the sense of a system that more reliably provide a food supply that was sufficient, sustainable, safe, nutritious and equitable, but that is not the preferred direction of the most enthusiastic pro-Brexit disrupters. The signals from Defra's Agriculture Bill are weak and disturbing. It barely mentions health or devolution or indeed food. An Environment Bill is promised but unlikely to surface until well into 2019.<sup>33</sup> Creating 'hollow' statutory bills and Acts, seems to be a political tactic of disruptive governance, and it needs to be challenged in the wider public and consumer interest, for it will encourage wider political and ministerial latitude in a post- Brexit and transitional landscape.

In relation to food, the rhetoric of Brexit is laid bare. Food, like ecosystems services, cross borders; so 'taking back national control' is a recipe for detachment. If the UK chooses to set its own rules, it can do so, but that would disrupt the international trading on which our system relies. The UK could import any foodstuffs that satisfied our rules, but the UK is only able to export foodstuffs that satisfy the importers rules. The UK has to be a rule-taker, not a rule-maker; the only questions is which rules and whose rules? Those of the EU, the USA or the WTO; there are no other realistic options. The UK's food problems cannot be solved by parochial action. Even the EU needs to negotiate with other jurisdictions. Birds which winter on the farmland or shores of Wales often come from Scandinavia. Those which summer in Wales may have flown from southern Africa or further. Biological isolation is entirely unrealistic; avian flu for example readily crosses borders and even oceans. The cultural messages that entice people to eat junk foods and unhealthy diets are bought by giant corporations, not by the EU. Without the EU, Wales' capacity to transform its obesogenic environment will be weakened, and the same is true for all parts of the UK.

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<sup>31</sup> Eg *Food Matters*, 2008; *The Global Future of Food & Farming*, 2011

<sup>32</sup>IPCC (2018) Global Warming of 1.5°C, an IPCC special report Summary for Policymakers of IPCC Special Report on Global Warming of 1.5°C approved by governments. October 8. Geneva: Intergovernmental Panel on Climate Change. [http://www.ipcc.ch/pdf/session48/pr\\_181008\\_P48\\_spm\\_en.pdf](http://www.ipcc.ch/pdf/session48/pr_181008_P48_spm_en.pdf)

<sup>33</sup> Environmental Protections and the EU Bill. May 2018, Department of Exiting the EU, Factsheet 8: Environmental Principles. UK Government.

## The Wales case in Disruptive Governance

Wales' options will be diminished by Brexit; and Wales now knows it. Pending being offered an opportunity to vote on any final deal, Wales must make the best of it. But it is unlikely to be able to do so, unless a new type of order replaces Disruptive Governance. Plans and structures are urgently needed. The current machinery for co-ordinating policy and practice across the UK and especially between the devolved governments (such as the Joint Ministerial Committees) is 'not fit for purpose'.<sup>34</sup>

One might have hoped that Whitehall would by now have developed new bespoke co-ordinating structures and frameworks, which are transparent and accountable to both legislatures and citizens. That has not happened. There is a distinct lack of trust between the devolved authorities and Westminster, and reduced levels of communication between different executives. It is difficult to avoid the conclusion that Brexit is fuelling constitutional fragmentation just when the UK ought to be displaying the pragmatic, clear and integrated thinking for which it is used to be celebrated.<sup>35</sup>

UK public sector funding has been far the largest provider of resources enabling the devolved administration in Wales over the 20 years since it was established. Levels of funding have been governed by the so-called 'Barnett formula'.<sup>36</sup> Rural policies have also relied heavily on ring-fenced EU funding associated with Regional Development ('Convergence funding') and Common Agricultural Policy (CAP) programmes.

Those programmes (representing something like annually 6% of all public funding in Wales) were based upon a 'needs-based' set of priorities built by reference to the EU's goal of reducing regional economic disparities. It has been used to build regional capacities and support farming families to deliver a combination of public and market goods. They have provided important ring-fenced EU funding for Wales in its first, relatively stable, first 20 years of devolution.

Wales' first decade of devolved powers occurred under Labour governments and the second decade has mostly been under Conservative-dominated coalitions in Westminster. Yet across those apparent politically different government periods, there was a general consensus between EU, Westminster and Cardiff governments that the distinctive features of Wales' post-industrial and post-productivist landscape and economy was in need of considerable state investment. That consensus is now being undermined by Brexit. Future commitments to the goal of attempting to reduce regional economic disparities in the UK is increasingly uncertain.

Let us pause to consider if there really is a rupture.

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<sup>34</sup>Burns, C et al (2018) Environmental Policy in a devolved United Kingdom: challenges and opportunities after Brexit. ESRC Briefing Paper, October 2018.

<sup>35</sup>See Cowell, R et al (2018) Wales: Challenges and opportunities for post-Brexit environmental governance.

<sup>36</sup> The Barnett formula allocates UK government funding to the devolved regions as a block grant. The annual Welsh budget for 2018-9 was £15.5 billion. This is allocated with respect to population and some assessment of needs. It is largely up to the Welsh Government how it allocates its block grant. EU funding alternatively, for both regional development and agriculture is a ring fenced component. Because these are allocated on a needs basis as disadvantaged regions, and because Wales has qualified as the most disadvantaged region in the UK for these funds it has historically received higher proportions of these funds (see box1). Measured on a per capita basis, for instance, structural regional development funds have been more than double those of any other part of the UK. Again with agricultural EU funding, given Wales' Less favoured Area status it has received higher proportions of these funds as subsidies (see Box 1). Once these preferential allocation systems for Wales come to an end with Brexit, a key question is how the UK government will allocate public funds.

Many, on the intellectual left in Wales were taken aback by the overall UK Referendum result in June 2016. The Welsh electorate, unlike its Northern Irish and Scottish counterparts, also mirrored England and voted for majority leave. 52.5% of Wales voted to leave, compared to 53.8% in England, 44.2 % in Northern Ireland and only 38% in Scotland. Ironically it was the post-industrial valleys and the large and dispersed rural areas which had been both the major recipients of EU investments over the past 20 years. Like Cornwall, the largest UK recipient of EU funds, Wales apparently voted to bite the hand which had been helping to feed it. In fact, EU funds were more like compensation payments than core funding for Wales. The resources often came from EU regional funds, set up to act as counterweight to the centralisation and concentration trends unleashed by the completion of the Single Market, first championed and later denounced by Mrs Thatcher. Uncomfortably for the dominant Welsh Labour administration, which was and is strongly pro-Remain, it is difficult to deny that this was a major act of collective devolved 'self-harm' by the poorest and most vulnerable Welsh communities. But, as other analysts have argued, the Referendum coalesced many sentiments – deserved and undeserved – into one stark yes/no vote. Much of the societal marginalisation from de-industrialisation and fiscal austerity was the responsibility of policy-makers in London rather than in Brussels, of concentration and cost reductions for competitiveness in larger markets rather than just those of Europe. The inequalities in, and neglect of, the regions emerged despite, not because of, the efforts of the EU Committee of the Regions.

Whatever the benefits to Wales from the EU's continued support for Wales's agri-food and environmental economy, those benefits were overshadowed by the wider political rhetoric stressing immigration and Brussels 'red-tape'. While the European Commission is often derided in the UK as a 'bloated bureaucracy', few acknowledge that there are in fact more civic servants in Edinburgh running Scotland than there are in the entire European Commission. Agri-food and eco-economy concerns were thus ignored or discounted by (what Adorno called) in a political 'context of delusion', exhibiting 'false consciousness', (which in German he termed '*Verblendungszusammenhang*').<sup>37</sup>

Another macro-governance consequence of the way in which the pursuit of Brexit has disrupted relations of governance amongst the devolved administrations, and between those administrations and the Whitehall government stems from the uneven and compromised nature of devolved governance in the UK more generally. As Douglas-Scott (2018) aptly puts it, the prevailing arrangements were never actively or rationally designed. The problematic *status quo* has been reliant upon Westminster; and the current state of devolved regional politics has recently been described as a case of a policy 'without map or compass'.<sup>38</sup> England continues to be highly centralised, and arguably has become more centralised since 2010. The Regional Development Authorities and Regional Government Offices created since 1997 by the Labour have been replaced by smaller, less funded and weaker Local Enterprise Partnerships. A competition over which authorities can or cannot have a Mayor gives semblance to a concern for the regions. A short-lived burst of enthusiasm for a 'Northern Powerhouse' championed by George Osborne when Chancellor of the Exchequer (2010) was an attempt at big thinking but ineffective and ignored in other parts of England.

In Wales, England and Scotland the relationship of agri-food and rural policy to the regional development agendas has been marginalised by the dominant issue of Brexit. **If one good long-term development was to emerge from Brexit, it could well be a revitalised regionalisation and de-centralisation of the UK state.** The rigidity of Whitehall and its reluctance to re-distribute to the

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<sup>37</sup>See, for instance, Dews, P (2018). 'The Idea of Hope', *New Left Review*, July/ August

<sup>38</sup>Douglas-Scott, A (2018). 'Without map or compass', *London Review of Books*, May 2-5.

devolved administrations any powers that might be repatriated from Brussels to London is not a fault that can be attributed to the EU or Brussels bureaucrats. Other EU member states are far more devolved internally – Germany was deliberately constructed to have relative strong regions and relatively weak central government by the victorious Allies after 1945.

Meanwhile Scotland, which voted strongly to remain, is enthusiastically manoeuvring for greater independence and contesting any suggestions of further centralisation to Westminster. The Scottish National party is trying to exploit the Disruptive Governance paradox more than Wales, and argues for competencies taking from Brussels should be transferred to Edinburgh not to London. Scotland is not covered by Defra's Agriculture Bill already presented to Westminster in October 2018.

All the while, it must be stressed, the Northern Ireland Assembly is currently suspended, yet on the border question Northern Irish politicians, especially the DUP MPs, receive the highest (and disproportionate) political attention of any section of the UK, even more than the City of London with all its financial clout. Northern Ireland perhaps best illustrates the risks of the new Disruptive Governance. A tiny DUP minority supporting the Conservative Government can exert leverage out of proportion to their numerical strength.

Unlike Scotland (and Northern Ireland for obvious reasons), Wales has nominally agreed new devolved arrangements with Westminster about the scope of 'devolved competences', though this is still contested as the Brexit process unfolds in ways that are exceptionally difficult to predict. For many parts of the devolved administrations Westminster seems ironically a far more (politically) remote and less trustworthy negotiating partners than Brussels ever did.<sup>39</sup> Several observers and committees have called for greater cooperation amongst civil servants and departments across the UK's governments, while also wanting to see greater autonomy for the devolved administrations. Inevitably Brexit has provoked calls for longer-term and more root-and-branch reforms to coordinating mechanism across, at least the 153 areas where EU law currently intersects with devolved competences. 41 of those are closely related to the environment, agriculture and fisheries.<sup>40</sup>

It should be noted that this unfolding and contested process of disruptive governance does not have its roots in the political arenas of agri-food or environment nor regional economic development. Because these policy fields have been, and are by far, the most Europeanised, they are the policy domains (together with trade) over which the UK government seeks to regain control. Consequently they are becoming a key policy fulcrum around which the new and more disrupted domestic UK devolved relations are most likely to be recast.

**Brexit is thus setting in train then a medium to long-term need for a domestic and UK-wide contested debate about revising the governance settlements for the devolved administrations.** A new governance regime, or set of regimes, is likely to emerge, default or by design; whether an accident or a tragedy remains to be seen. The outcome of those contested debates will alter policy goals, instruments and practices for many years.

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<sup>39</sup> See 'Frameworks Analysis: Breakdown of areas of EU Law that intersect with devolved competences in Scotland, Wales and Northern Ireland. Cabinet Office, UK Government. July 2018. Also Institute for Government (April, 2018), Devolution after Brexit: managing the environment, agriculture and fisheries. Also House of Lords, July 2018: The Impact of Brexit on Devolved Competences, Chapter 6. House of Lords Westminster, UK.

<sup>40</sup> Institute of Government, op.cit.

Another feature of the present disruption concerns the politics of the London-based Department for the Environment, Food and Rural Affairs (Defra). Under Secretary of State Michael Gove, Defra has successfully courted the established environmental interest groups seeing a chance of wrenching agri-food policy away from the destruction of productionism, symbolised by the CAP and the entrenched interests of the National Farmers Union.

The CAP is easily demonised by those who question the ecological impacts of intensive industrial farming. There are good reasons for urgently re-engineering land use policies to provide improved environmental sustainability and enhanced biodiversity. This was the dominant narrative in the Defra *Health and Harmony* consultation paper.<sup>41</sup> It, and the Agriculture Bill which emerged in the autumn of 2018, stressed the future financing of environmental public goods, including soil, water, amenity and landscape. Meanwhile, traditional, farmer productivist concerns, and wider ecological concerns and interests are being sidelined. Any consideration of food, as the product of agriculture, is absent from the White Paper and the draft legislation.<sup>42</sup> **Brexit is therefore being used as an opportunity to re-orient and re-frame the power relations between public, private and civic sectors. And indeed to separate 'agriculture' (public) from 'food' (private).**<sup>43</sup> **The shift in Defra policy constitutes a re-orientation of neo-liberal assumptions about environmental protection and agri-food production. It partly means de-regulating, but also re-regulating, empowering some and disempowering others. These developments provide both opportunities and threats to the long-term ecological and social sustainability of the UK agri-food and rural development system.** This juncture is, as some of us have argued, a profound '1947' moment for agri-food and rural development policy and its long-term governance in the UK.

Currently this process of de-stabilisation, which precedes a future re-settlement, is highly contingent, and subject to macro political contests regarding the shape of the eventual Brexit 'deal'; as well as the future shape of new and revised domestic national and devolved policies. We can then only provide an academic commentary upon the heightened political process so far. However, this crisis is providing rich intellectual investigative terrain, and even battlefield on which to scrutinise the new environmental, economic and rural politics that will emerge.

This is thus an undoubtedly important moment and conjuncture. One which *could* lead to a new paradigm of sustainable rural and agri-food development. On the other hand, there are severe dangers that such opportunities could be lost. It *could* set different, potential-collaborating interest groups against each other, and lead to a nominally eco-focussed system propped up by a wave of imported food products from far beyond the EU. For Wales this is vital. Wales' rural heartland is about meat and dairy from relatively small, often upland farms.

This paper therefore turns to an outline of how Wales might best cope with this world of Disruptive Governance.

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<sup>41</sup> Defra (2018). *Health and Harmony: the future for food, farming and the environment in a Green Brexit*. Cm 9577. London: Department for Environment, Food and Rural Affairs.

<sup>42</sup> Lang T (2018). The new Agriculture Bill has no vision for food, Inside Track (blog), London : Green Alliance, September 18, <https://greenallianceblog.org.uk/2018/09/18/the-new-agriculture-bill-has-no-vision-for-food/>

<sup>43</sup> Interestingly this is re-enforced by DEFRA categorising agriculture as providing public goods, and food as part of private goods provision. This of course is a convenient use of a narrow set of economic assumptions which allows farming and food to be unrealistically separated in policy terms. It creates a boundary where systems thinking and integration of the provision of both public and private goods is really needed.

## What should Wales be doing in the context of Disruptive Governance?

**Wales needs to develop a new and collective vision of its own sustainable rural and regional development.** This is the moment when it could set out to restructure agri-food to deliver the principles and values embodied in its own ambitious, inspiring Future Generations Act and Environment Act, and its statutory obligations.<sup>44</sup><sup>45</sup> These provide a statutory framework that no other part of the UK has matched. Wales could recognise where it has highly integrated economic ties with the rest of the UK – in processing or services, and in many regulatory areas such as food standards, trade, and environmental protection – and could use these ambitious Acts as the basis to negotiate those UK links. Unlike England, where the Agriculture Bill barely mentions food and where an Environment Bill has not even been drafted, Wales can build on its commitment to develop an agri-food economy that takes future generations' need and interests as its core focus. **Wales has an opportunity both to participate in new UK-wide frameworks during and after the Brexit process, and to develop its own distinctive vision and strategy for agri-food, rural and regional economy based upon a strong ecological-economic approach.**<sup>46</sup>

This envisages a strategy and vision designed to facilitate the unfolding transition to a post-carbonised and more inclusive-growth oriented model of sustainable economic development, and in so doing to augment the distinctiveness and potentialities Wales holds in developing a world-leading innovative green economy. That is an economy and vision which will locate the needs of rural areas and their managed ecosystems (including varied combinations of stakeholders including landholders and foresters) at the heart of the Future Generations agenda over the rest of this century.<sup>47</sup> But solving those problems of the rural areas, will necessitate reconciling their requirements, and closely coupling them, with those of the urban areas.

### A Farming-Plus approach

One implication of creating and developing this vision and strategy is to examine ways in which it is possible to create more integrated policy making and delivery which both ameliorates spatial and social inequalities across Wales, whilst also celebrating and recognising the diversity of the ecological economy in Wales; not least by developing more bespoke place-based initiatives. This could provide opportunities to integrate regional, rural and agri-food policy as sustainable rural development policy- what we might call a 'Farming-Plus' approach. Farming becomes a central vehicle for delivering sustainable rural development along with a wider range of multi-functional rural economic activities- renewable energy, sustainable tourism, and rural enterprises. This is part- and -parcel of the OECD's vision of the 'new rural development paradigm' which is now being implemented in many regions of Europe.<sup>48</sup><sup>49</sup> As a result, it is timely to place agriculture and farming firmly back into the rural economy and to develop support mechanisms which promote multi-functional local rural economies and businesses.

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<sup>44</sup>Wales Government, Future Generations Act, 2015, Cardiff

<sup>45</sup> Wales Government, Environment (Wales) Act 2016, Cardiff

<sup>46</sup> See Marsden TK (2017). Agri-food and rural development: sustainable place making. London: Bloomsbury

<sup>47</sup> See Public Policy Institute for Wales (2018) The implications of brexit for Agriculture, rural areas and land use in Wales.

After Brexit: 10 key questions for rural policy in Wales. Aberystwyth University. October, 2018.

<sup>48</sup> See Horlings I & TK Marsden (2014). 'Exploring the 'new rural paradigm' in Europe: Eco-economic strategies as a counterforce to the global competitiveness agenda. *European Urban and Regional Studies*, 21, 1, 4-20

<sup>49</sup> Milone, P & F. Ventura (eds) (2010) *Networking the Rural: The future of Green Regions in Europe*. Van Gorcum, The Netherlands



There is no reason why such a Wales- shared vision and strategy could not complement the wider evolving UK approach, but be *both distinctive of it and 'owned' by the Welsh polity*, such that it retains control over Wales based allocation mechanisms (see below).

## Funding sources and means

Clearly the two major areas of potential support for a Farming-Plus approach are associated with the UK regional development objectives in its 'Shared Prosperity Fund' (so far unspecified the UK government); and 'transitional' and eventual post- Brexit UK agricultural support. Proactive discussions with Whitehall are urgently needed on these from the Welsh Government, to articulate and promote that vision and strategy, and to justify critical funding for Wales in both of these areas. The argument will need to be won that whatever the volume of funding made available for Wales under these schemes, it needs to be based upon (a) reducing GDP disparities across Wales; (ii) based on an assessment of needs, and (iii) allowing support to continue, at least on a tapering model for farm production support based upon a wider multifunctional approach outlined above.

There is a distinct danger here that whatever funding is made available and eventually allocated under these schemes it will be: (i) highly competitive, especially with other regions in England; (ii) linked to a conventional concept of productivity and growth which discriminates against rural and sparsely populated areas, favouring urban agglomerated economies; and (iii) focusses too much on non-marketised public goods instead of a combination of production and services.

This is why it is critical not just to get bogged down in 'transition' processes following Brexit but to declare a Welsh vision both during and beyond the transition. Serious considerations should be given to proposing that whatever Westminster funding that replaces CAP and Regional Development (convergence) funding should be *driven by a transparent formula* on a supplemented 'Barnett Plus' model. This could be over 5-7 year planning periods so as to give some certainty and review of investments over time.

## Systems of devolved allocation: taking control

The analysis and arguments above suggest a need for the establishment of a strategic Regional and Rural Development Agency or Board in Wales, which will have within its remit regional development, agri-food and rural economic development *for the whole of Wales* (urban and rural), and reports to cabinet and the National Assembly. It should deliver the promises in *Future Generations*, addressing the restoration of bio-diversity, family farming and local rural economies in Wales, and negotiating with Whitehall on funding allocations. The body should also take control of devolved allocation across all parts of Wales, including support to delivery agents (rural stakeholders). This approach should avoid the potential increases in transaction costs associated with narrow politically driven 'hand-me downs' from Whitehall. It would also give a stronger collective voice for Wales amongst the Devolved nations, and should forge positive and networked links with the EU (not least regarding FP9 R& D budget); and actively participate in debates about food and rural policies.

## Systems of targeting and delivery

Targeting and delivery of financial support within Wales during and after the Brexit transition should emphasise providing support for place-based partnerships on a variety of different spatial scales. These could be aligned to the Natural Resource Wales (NRW's) area statement sub-regions, and to catchment planning and partnerships. Farmers could remain major recipients of these funds as long as they were working in partnership and collaboration with the wider range of place-based stakeholders, and were demonstrating how they were achieving and reconciling sustainable

production of high quality foods with other environmental and social goods and services (including woodlands, water management, renewables and sustainable amenity and tourism). This is at the heart of the 'Farming plus' approach. The Designated landscapes of Wales (over 25% of its land surface), for instance, can become innovative beacons for fostering these partnership approaches. Wales holds many excellent and innovative experiments of place-based partnership working. And these now need to be made more mainstream if our visions are to be realised. [Please can we have an example or two of 'place-based' solutions?? We cannot assume that the readers will recognise that idea.]

### **A Farming for the future: creating and producing for the public *and* the market**

From a Welsh perspective the current DEFRA consultation *Health and Harmony* is framed by a far too narrow and binary interpretation of public and private goods, and fails to take into consideration the need to develop transitions to local and regionally diverse sustainable food production systems and localised forms of rural development.<sup>50</sup> Wales needs a more integrated and focussed approach to sustaining rural economies and helps small landholders and farmers to build their capacities to contribute to delivering for Future Generations. Wales should not accept the continued concentration of farm holdings and the displacement of family farms. Fewer large farms is neither inevitable or desirable.

Under the vision and strategy outlined here they become crucial businesses for delivering sustainable rural natures and economy. Developing a re-invigorated and branded quality agri-food strategy based on a more diverse set of farming practices, thus becomes a critical element of the Wales post-Brexit approach.

### **'Brexit and Land: securing the future of Welsh Farming' : re-framing the case for Wales?**

In July 2018, after a considerable amount of internal stakeholder discussion and scenario planning, as well as discussions between Welsh and Westminster policy officials, the Welsh Minister published a new consultation paper on post-BWrexit agricultural arrangements.<sup>51</sup> This was more narrowly framed than what is proposed above. In many ways it still falls into the trap of treating agricultural production very much as a separate and 'exceptional' sector, not least in failing to integrate it into a wider enriched food strategy.<sup>52</sup> The latter, currently under revision has at least placed some emphasis upon improving food for urban consumers and for public health priorities.

*Brexit and our Land: securing the future of Welsh farming*, nevertheless provides a welcome departure from its English equivalent ('Health and Harmony'). As a result it received considerable qualified support from Welsh food, farming and wider environmental interests, and indeed was seen by some (eg the UK CLA) as being a far more imaginative and innovative document than Defra's counterpart. The Welsh proposals have several important and positive characteristics.

**Firstly**, it builds and integrates its principles and policies directly on the existing and landmark statutory legislation which (fortunately) pre-dated Brexit: the *Future Generations* and *Environment Acts*. The *Sustainable Development Principle* and seven *Well-being goals* provide an integrated framework for future decision-making which, it is proposed, will establish a new approach to land

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<sup>50</sup>Health and Harmony, DEFRA, June, 2018.

<sup>51</sup>*Brexit and our Land: securing the future of Welsh farming*. Welsh Government, July 2018, available at [https://beta.gov.wales/sites/default/files/consultations/2018-07/brexit-and-our-land-consultation-document\\_0.pdf](https://beta.gov.wales/sites/default/files/consultations/2018-07/brexit-and-our-land-consultation-document_0.pdf) accessed 28 Nov. 2018

<sup>52</sup>The Welsh Government are also in the process of revising the Welsh Food Strategy and Action Plan, which formerly was indeed heavily reliant upon regional development and rural development EU funding.

management in Wales. The central objective of the *Environment Act* is the Sustainable Management of Natural Resources (SMNR), to maintain and enhance the resilience of eco-systems and the benefits they provide to deliver lasting, sustainable economic, social, cultural and environmental benefits. The Act sets the legal framework for decarbonisation and adapting to the impacts of climate change and other environmental and social shocks and stresses.

The overall aim should be to enhance resilience in eco-systems, businesses and communities. Delivering on the ‘Sustainable Management of Natural Resources’ (SNMR) is the responsibility of a number of statutory bodies, not least the all Wales Natural Resources Wales Agency (NRW), which is responsible for delivering regular State of Natural Management of Resources Reports (SONNAR) to the Welsh Government. Section 6 of the Environment (Wales) Act also puts in place a Biodiversity and Resilience of Eco-systems Duty for public authorities (including Welsh Ministers and local authorities) who must seek to maintain and enhance bio-diversity, and in so doing promote the resilience of eco-systems. This recognises the underlying importance of biodiversity in its widest sense for healthy, functioning eco-systems, and the multiple benefits that are derived from them. As part of this framework, ‘area statements’ and ‘well-being plans’ are being prepared by local authorities and the NRW.

This legislative and policy framework for Wales is now actively being progressed with the setting up of the independent Future Generations Commission, the re-orientation of local authority public service boards and the development of area statements and well being plans. Environmental NGOs and the designated landscapes (National Parks and AONBs, covering 25% of Wales) are highly engaged and aligned with these processes (see. H Blethyn Ministerial Statement paper, July 2018)<sup>53</sup>.

**Secondly**, the definition (in ‘Brexit and our land’) of ‘land manager’ is significantly broader than that of ‘Farmer’, and therefore provides opportunities for greater flexibility about the incentives given to land managers operating in partnership and cooperation with each other to deliver SMNR objectives and to receive public funding, rather than targeting ‘farmers’ only with support. ‘Land Manager’ means farmers, foresters, and ‘any other activity drawing on non-urban land to produce goods and services’.<sup>54</sup> There is no ostensible reason therefore, why any future, post- transition funding for rural areas could not be directed to collections and partnerships of land managers, some of which might be farmers, as well as other land-based stakeholders. ‘Brexit and our Land’ provides 5 guiding principles for Sustainable land management: (i) keeping farmers and other land managers on the land; (ii) food production is vital-implying continued support for the economic activities of farmers; (iii) build a prosperous and resilient Welsh land management industry; (iv) provide future support which encompasses the provision of additional public goods from land: clean air, water and flood management, better habitats, public health and education; and (v) All land managers should be able to access new schemes. (Ref?)

**Thirdly**, and linked to the first two characteristics, the policy document proposes a dual or twin support system. Unlike the English proposals it stipulates two new ‘pillars’ of support: The Economic Resilience scheme and the Public Goods Scheme. The former focussing, though not exclusively, on the production of food and timber, will support the economic resilience of land-based businesses in the sub areas of (i) increasing market potential (ii) improving productivity (iii) diversification (iv) effective risk management and (v) knowledge exchange, skills and education. This incentivises

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<sup>53</sup> Designated Landscapes Ministerial Statement, July 2018.

<sup>54</sup> Brexit and our Land. Op.cit.

rural multifunctionality and diversification, a circular economy and high quality products and processes.

We can see here then a far greater commitment on the part of Welsh Government to fund and support the rural land-based sector than the English 'Health and Harmony' consultation across both the provision of environmental public goods but also (multifunctional) economic resilience measures for rural, land-based business development. Such a provision was also inserted into the current Agriculture Bill going through Parliament, whereby Welsh Ministers (schedule 3, paragraph 1 (2)) will be allowed powers to provide 'financial assistance to support persons involved in the production, processing, marketing or distribution of products deriving from areas...'<sup>55</sup> This is currently outside the scope of the provisions in the Bill for England, and reflects the stronger and more innovative approach contained in the Welsh 'Brexit and our land' consultation paper.

A key source and motivation for these differences derive from the still-strong political and cultural significance of family farming in Wales compared to England. Wales has steadily lost farms as has England. Indeed this is a 'silent revolution' that is affecting our agri-food infrastructures across England and Wales. England lost 48% of its farms between 2005-13, whilst Wales lost 32%. Much of this loss went unnoticed because farms and land are often amalgamated, often with farm buildings remaining, but converted to residential use. Much more land is now leased to larger farm holding companies and larger farm businesses than has ever previously been the case since the end of the Middle Ages. In addition food processing, especially the smaller independent abattoir sector had been in secular decline.<sup>56</sup>

Both the Westminster and Welsh Governments recognise that Brexit, and especially with transition of support away from Pillar 1 payments in the CAP, will continue to undermine the economic resilience of the small and medium family farming sector. This is of much more political concern in Cardiff than in London. Despite the declines in farms and farm businesses, Wales is still dominated by small family-run businesses. There were in 2016, 21,200 farms in Wales which were classified as 'small' or 'very small' (with a turnover of less than 125K) out of a total of 24,500. (Ref?) Many of those were disproportionately reliant on CAP Pillar 1 funding. In particular extensive beef and sheep farm incomes are, on average, heavily reliant on Basic Payments schemes (BPS, Pillar 1) and the Glastir agri-environmental scheme (Pillar 2). (Ref) Nonetheless research has shown that small farms have a positive local economic multiplier when it comes buying inputs to their businesses and in selling their products (WRO, 2013).<sup>57</sup> When average farm income is compared to total household family income on farms, however, this reliance upon farm subsidies is less clear. It is the large and very large farmers who have claimed the largest proportions of BPS subsidy, and which are most reliant upon it with regard to over household family income. Small, part time and even median sized (up to £30k per annum) businesses are just less than half reliant on farm income as a component of total household income (Farm Business Survey, 2017).<sup>58</sup>

In short many, if not most, small and medium sized Welsh family farmers have diversified family household incomes, much of which is both earned and spent in the local rural economy. Add to this the significance of the Welsh Language to family farming in many parts of rural Wales, and one can see how future policies to promote multi-functional land and smaller and diversified family-based businesses is and should remain a central plank of future Welsh rural and agricultural policy. In

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<sup>55</sup> Agriculture Bill, Houses of Parliament. October, 2018.

<sup>56</sup> See Welsh agricultural statistics, op cit, and Food Action plan 2014-20 op.cit.

<sup>57</sup> Welsh Rural Observatory Report Impacts of CAP reform, 2013.

<sup>58</sup> Farm Business Survey, DEFRA, 2017.

addition, these policy directions tend to meet the wider 'Future generations' and SNMR principles. This is a very different model than that currently advocated in England, despite, similar conditions in much of its upland and mixed farming regions. Defra sees the Brexit transition as an opportunity to facilitate the prevailing and structural adjustments (i.e continuing farm exit), which Defra assumes is and will be needed in farming once the BPS has been tapered or terminated, by adding the option for 'lump sum' end-of-scheme payments. Some assume that this can be expected to boost aggregated and conventional measures of efficiency and farm productivity, as well as usher in a new round of farm- based mechanisation and automation.<sup>59</sup>

It should be stressed that such Welsh government scenarios for Welsh Farming would not imply maintaining the *status quo*. It is likely, given the market disruptions as well as cuts in subsidies, that Brexit would imply for farmers, that their numbers would continue to decline. A wider and more pro-active debate needs to be had in Wales, as in England, on what the remaining and hopefully more **resilient farmers should be practicing on their farms?** This connects to the wider 'Future generations' and SNMR goals. There are strong grounds for public investments in more diversified systems of agro-ecology, organic horticulture, permaculture and agri-forestry/woodland in Wales, which could sustainably deliver broader and wider 'productivity' gains and goals.<sup>60</sup> In order to address this wider agenda, it is necessary to integrate our 'agriculture' and farming policies with those wider ecological, health and rural development policies.

### **Meeting the challenge: Integrating Welsh farming for ecology, food, health and rural development**

'Brexit and our land' represents the first outline response of the Welsh Government to the realisation of BWrexit and the removal of CAP subsidies to its farmers and landholders. It differs from 'Health and Harmony', emphasising a stronger economic and cultural case for enhancing the resilience of Wales' relatively small-family-farm sector. It also creates opportunities for more place-based collaboration and partnerships to develop between a wider constituency of rural land-based stakeholders. A forerunner in this regard is the Black Mountains Land Use Partnership (Davies, 2018), which brings together farmers and graziers, land-owners, the Brecon Beacons National Park Authority, Natural Resources Wales and Welsh Water.<sup>61</sup> The partnership was awarded a three year Sustainable Management Scheme (SMS) grant of over £1 million, funded by the EU RDP (2018) and the Welsh Government. It covers 24,600 hectares of mountain and hill land much of which is SSI designated and involves over 100 farmers and graziers. The partnership is aimed at directly tackling rural depopulation of the young, poor infrastructure- not least broadband, lack of affordable homes for locals, a decline in the use of grazing rights, and income and product diversification. Such experimental partnerships, which conjoin the development of sustainable land management practices with building collaborative economic and social resilience in the sparsely populated locale, provides a valuable prototype for the goals articulated in 'Brexit and our Land'.

Critically there is a need to transform the land-based economy and practices because the portion of the population benefitting from it is low and declining. One experiment aims to transform the local marketing of mutton as well as wool from the hill sheep. The wider network established under the Pasture-Fed Livestock Association (PFLA) in the English borderlands is also a growing network where

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<sup>59</sup>See Policy Exchange Report on the Future of farming, (2017) arguing that it is advantageous that the average age of the farming population is in the late 50s, as this will facilitate faster structural adjustment in the sector.

<sup>60</sup>See latest policy statement from the Woodland Trust, 2018.

<sup>61</sup>Davies, A (2018) The Black Mountains Land Use Partnership: skills for the future of upland farming. Evaluation Report. Resources for Change.

the results show that producing beef and sheep on 100% pasture and forage crops can be made profitable, improve animal and human nutrition and improve soils. (see Pasture for Life, 2016)<sup>62</sup> These expanding and often place-based collaborations and partnerships are adopting innovative agro-ecological practices, while finding new markets for their products and delivering enhanced ecological and social sustainability.

More debate is needed in the UK and in Wales about how new forms of support for landholders can deliver the multiplicity of sustainability goals and public goods needed. There debate on the sustainable use of land is needed urgently as, post-Brexit, the UK ends its reliance on CAP funding, and enters a period of transition. The new schemes, however they unfold are planned to begin in Wales by 2025, but much work and negotiation needs to occur before that date.

There are of course many contingencies opening up as a result of the Welsh policy aspirations for the post-Brexit landscape. Indeed they raise more questions than answers. One key factor will be, what both the level and allocation mechanisms of financial support will be made available by the UK Treasury to Wales and by the Welsh Government, and how this will be organised and allocated within Wales. No details of this are forthcoming in the current Agriculture Bill and no specific commitments have been made for the future during or after the Brexit transition period. There is a risk of a significant 'cliff-edge' scenario both in England and the devolved regions, especially were a No Deal Brexit to occur abruptly at the end of March 2019. TAs EU funding tapers away by 2025, little transitional or adaptive infrastructure is ready to be put in place during that period.

There will have to be a new arrangements made between Westminster and devolved authorities on these issues, concerning level of funding, the programming periods, the criteria for allocation and the degree of devolved autonomy, whilst remaining within the confines of some sort of UK framework. None of this has been resolved by the current Agriculture Bill, or indeed by trade or environment bills currently being prepared. The current UK government has not yet committed itself to new funding mechanisms or programming periods.

There is also a clear danger of policy fragmentation and competition driving out essential co-ordination and integration across the policy fields of agriculture, food, health, environmental and rural development policy. So far in Wales (and in England) governmental rural development ambitions are muted, and worryingly side-lined by competitive 'City deal' type solutions for some rural areas (like mid Wales). Wales risks losing the vast experiences many rural areas have gained running LEADER programmes for nearly 30 years, unless explicit policies are put in places for non-agricultural rural development in the post-Brexit era. The current framing of policy debates assumes a sharp dichotomy between rural and urban areas, to the neglect of rural development. This is all the more worrying when the rural contribution to conventional (and agglomerative, centralised) economic thinking is consistently undervalued (as in the case of narrowly defining city regions), even when more decentralised and foundational economic infrastructures, for which many rural areas are characterised may well become the norm (see Lang and Marsden, 2018)<sup>63</sup>.

Consequently, Wales desperately needs a parallel Sustainable Rural Development Policy, which compliments 'Brexit and our Land'. Planning policies in Wales are also being revised along sustainable place-making paradigms and being aligned to the principles and processes of the Future

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<sup>62</sup> Pasture for Life: it can be done: the farm business case for feeding ruminants just on pasture. January 2016.

<sup>63</sup> Lang, M and Marsden, T.K (2018) Re-thinking growth: towards the well-being economy. Local Economy,33,5,496-514.

Generations Act (Planning Consultation, July,2018)<sup>64</sup>. But even these initiatives tend to marginalise rural economic development.

If the onset of Brexit creates conditions and opportunities for radical and profound changes in the way Wales manages and governs its extensive rural areas, then an opportunity and challenge arises to integrate environmental, agricultural, food, rural economy and amenity interests and goals around a new paradigm of integrated rural development for all. However, the forces of fragmentation, of new boundary creation and sectoralisation are highly prevalent in the debates and policy statements; and in these highly politically-charged circumstances, when these policy fields are being fundamentally re-designed, approaches that integrate thinking –indispensable for sustainability- might continue to be actively marginalised.

### **Conclusions: managing the Brexit transition and coping with disruptive governance**

This paper contends that the remit of the current Agriculture Bill should at the very least be widened, to empower and require UK ministers to develop much needed integrated policies, linking farming with rural economic development and socio-economic as well as ecological sustainability. A revised Bill could in particular have as objectives to:

‘Enhance and adapt the UK agri-food system and its economy such that it delivers three interlinked domestic and international objectives: (i) to promote farming and food systems which ecologically restore and protect the UK environment under conditions of climate change; (ii) deliver resilient forms of food production and supply which enhances UK food security and self-sufficiency; and (iii) continually improve quality food access and consumer choices so as to deliver public health benefits.’<sup>65</sup>

At the time of writing (November 2018) the Bill is at Committee stage in the House of Commons, so its future is no more secure than that of Mrs May’s government. What will be important is the mobilisation of interested parties and UK and devolved stakeholders around a more strategic and integrated set of post-Brexit policies *both* in Wales and in England. That will also require that funding and allocation mechanisms are developed to ‘taper-in’ new support measures, programmes and institutional capacities over the transition to replace the EU policy instruments. This is the new macro-policy challenge facing both rural areas and the food sector for at least the next decade- a decade when we will need also to de-carbonise and deliver healthier food from our domestic resources. Consequently there is no room for short-term or narrowly segregated sectoral thinking. Moreover the foregoing analysis implies several conclusions and policy recommendations.

### **Recommendations:**

1. The UK will need, in transition and post-Brexit, a **new constitutional settlement**, for which a constitutional convention could serve to resolve how internal UK distribution mechanisms and devolved competences will be organised, especially given the new UK internal market, and the significant differences and needs of the four nations.
2. A fundamental question surrounding **regional powers in England needs to be addressed**, especially in regard to agri-food, regional and rural developments. There is a danger, for

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<sup>64</sup> National Development framework consultation document. Welsh Government April 2018, and Draft Planning Policy Wales: Consultation Document Feb 2018. Consultations now being processed by officials for final drafting in mid 2019..

<sup>65</sup>Evidence and written amendments proposed by Marsden at the Parliamentary Scrutiny Committee for the Agriculture Bill, October 22<sup>nd</sup> 2018.

instance, that rural economic development would be separated from food and agricultural policy, by being located (indeed as a minor player) in the development of the regional shared prosperity fund. **This would be a mistake, and it would re-construct significant policy boundaries when more integrated approaches will be needed. There is a critical need to integrate agriculture, environment and rural development policy and align these to a UK food policy framework.**

3. A more sustainable and **long- term replacement for the ‘Barnett formula’** needs to be developed that allocates funding for the regions across the UK based upon their diverse needs. In the meantime the Welsh Government is currently taking forward the shorter term priority of pressing the UK government ‘to ensure that Wales is ‘not a penny worse off’ post Brexit,’ with regard to both the EU CAP and ERDF funding mechanisms.<sup>66</sup>
4. Wales, amongst the other devolved parties, currently faces heightened party-political-led compromises with regard to both the future re-gearing of agricultural, and especially regional and rural development policies. Welsh politicians will have to fight hard in Westminster to gain anything like the (largely preferential and historically ring-fenced) proportions of funding that came directly from Brussels. Notwithstanding the actual amounts coming now from the Treasury there are also many **unanswered questions about BOTH the programming periods for such funds, AND the subsequent allocation of such funds.**
5. **There are currently no guarantees or commitments being given by Whitehall Ministers to Wales or to the other devolved administrations.**<sup>67</sup>There are few details as to how the Shared Prosperity Fund would work, and no commitment has been given concerning the basis on which it will be allocated, and the same is true for agricultural funding. This is another worrying aspect of the current form of Disruptive Governance. It disrupts all forms of continuity in the programming and allocation of resources, making Brexit a leap into the unknown.
6. Much of the debate in Wales on these issues has surrounded the issue of whether new Westminster funding would be added to the ‘Barnett Formula’ or be ring-fenced outside of that ‘Block grant’ mechanism. Most Welsh commentators argued against it being tied to the Barnett formula, for very good reasons. That would significantly reduce current levels of EU funding for both agriculture and rural and regional development because it is not allocated upon the basis of need or gross deficits in GDP per head.<sup>68</sup>

These and other issues remain to be resolved; but there is an evident risk that new funding mechanisms would be ideologically-riven, and subject to party political wrangling over the medium and longer terms. For instance, if the Shared Prosperity scheme was to follow the current Conservative Governments’ city-deal approach, which may happen given its narrow focus on industrial strategy, the philosophy of further concentrating investments in urban-based agglomerations, and expecting ‘city regions’ to compete to scarcely allocated resources), then it is likely that Welsh regions (such as West Wales and the Valleys) would have to compete with their English counterparts for funding. This is already happening with the promised extension of the ‘city

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<sup>66</sup>National Assembly for Wales (Sept.2018) Preparations for replacing EU Funding for Wales. P 20.

<sup>67</sup>See Michael Gove’s speech to the Countryside alliance meeting at the Conservative Party conference, Birmingham, September, 2018, where he argued he would not wish to tie future governments hands on these issues of longer programming funding , or indeed write this into statute in the drafting of the current Agriculture Bill.

<sup>68</sup>See National Assembly Finance Report op.cit; and Fothergill, S (2018) written evidence to the committee.



deal' programme to North-east Wales, and the promised opportunity for an equivalent 'deal' for part of mid- Wales.<sup>69</sup>

7. Such decisions, are highly politicised, not least between the Conservative controlled Welsh HM Government Office, and the Labour coalition government in Cardiff Bay. Recent Conservative government and HM Welsh Office decisions, for instance not to fund the innovative Swansea Bay Lagoon Project, nor the electrification of the rail line between Cardiff and Swansea, but to allow the removal of tolls of the now renamed 'Prince of Wales' Severn road bridge and to support the possible building of the Newport relief road, all demonstrate heightened politicisation and concentration of investment and borrowing decisions and powers (where??). This, unlike in the EU funding regimes, could mean that investment decisions and programming are far more geared to urban areas and to short-term political gains and the electoral and political cycles. This may become a stronger and longer term feature of 'disruptive governance' as it affects the different regions of the UK.
8. There is a further element associated with what we call **institutional inertia** both in Westminster and Cardiff. Both governments are currently in a quandary -which in many ways is part-and-parcel of disruptive governance, concerning what sort of UK and devolved institutional structures will be established in the post-Brexit landscape? This has to be urgently resolved for food and environmental regulation as well, as outlined in earlier FRC briefing papers. There are suggestions from??? that existing structures could be adapted, such as the Rural Payments agency in England and the Welsh Government Welsh European Funding Office (WEFO) and the Welsh Government's Agriculture Division, which is responsible for the detailed and highly bureaucratic surveillance of farms, to distribute post-CAP payments after Brexit. **There is no good reason for supposing that these organisations are capable of, or suitable for, delivering the post-Brexit regimes, given how poorly they have been performing.** We therefore recommend re-creating a rural development board in Wales, which could be a new entity tasked with delivering more distributed rural and regional development across Wales, to foster and fund new 'LEADER' type programmes. That body would be more likely to pay attention to the diversity of local and sub-regional needs than its predecessors have. This is a topic to be debated inside and outside both the Westminster and Cardiff administrations.
9. So far the challenges of institutional changes at the heart of government administration, on a new devolved basis have yet to be addressed. Rather, and worryingly, we have witnessed little more than attempts at 'muddling through'.<sup>70</sup>**Yet recent committee reports both in Cardiff and Westminster have stated that post-Brexit the UK government will need to foster close and reciprocal cooperation with the devolved authorities.** This is particularly, but not exclusively, important for the future of the agri-food food system, and therefore also for environment and regional development policies. As the Institute of Government report recently explained:

'Failure to cooperate could have an impact on the UK internal market and its ability to meet international obligations and trade objectives. For instance setting minimum environmental standards and rules for subsidising farming is likely to be necessary to create 'a level playing field' across the UK. Likewise, to minimise compliance costs there is a case for uniform chemicals and food labelling regulations. Concluding trade deals with third with third parties that include 'level

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<sup>69</sup>See Hammond budget announcement, Oct 31<sup>st</sup> 2018

<sup>70</sup>See Burn, et al op.cit and Cowell et al op cit 2018.

playing' field provisions might also limit freedom to vary agricultural subsidy regimes or food standards regulations. Joint working will be necessary to meet the ambitious targets set by international obligations, such as the UN Framework Convention on Climate Change. Co-operation will also be required to manage common resources such as fisheries stocks and waterways, and mitigate against shared threats.' (p9).<sup>71</sup>

**There is therefore a profound governmental challenge both in UK and Welsh Governments to build sufficient capacities and new institutional arrangements which can build and then operate these devolved and UK framework structures.** So far there has been a conspicuous lack of attention to those fundamental challenges or the need for consultative two way interchanges, which will enable third parties (like NGOs) to have a voice on their developments.<sup>72</sup>

10. Wales has developed some of the leading integrating governance innovations in the fields of environmental and sustainability policy since the devolution settlement in 1997, and especially with the passing of the groundbreaking 'Future Generations' and Environment Acts of 2015 and 2016. These statutory frameworks provide a strong devolved basis to build policies for what we have termed here the 'great UK food transformation'. Post-Brexit **they will require a strong cooperative and consultative set institutional arrangements and practices to be developed between Cardiff and Whitehall, and with the other devolved countries, such that new UK wide frameworks can be dovetailed to the needs of all corners of the post Brexit UK.** This is indeed the paradoxical public policy challenge that this uncertain and disruptive period of governance creates.
11. One clear priority for collaboration and deliberation between the devolved authorities and Westminster, in the context of the 1-10 recommendations made here, is to create the institutional capacity for a new federal (UK) food strategy.<sup>73</sup> The danger as we see here is that this will be fragmented across a range of related agricultural, environmental, rural and regional policies, and at best not effectively balance UK with devolved and English regional needs for consumers as well as those working and running food businesses. Improving the nation's diet should be at the centre of this strategy, and it will require new synergies to be developed across the related policy sectors. We should be starting to forge this activity and goal now, and as we go into some (largely unknown) transitional period with the EU.
12. This paper has focussed particularly on Wales-UK relations as it enters a rather unique period of Disruptive Governance, with the uncertainties of Brexit. In this sense, whilst focussing only on the Welsh-UK context, it also speaks to many of the concerns and opportunities the onset of Brexit might bring to other UK regions, not least the English regions- so far denied any concerted regional autonomy. The analysis and recommendations have demonstrated the need to find collective hope and energy in exploring the real paradoxes that this disruptive governance also creates. That is, not least, opportunities to re-set and redesign former sectoral, fragmented and unevenly devolved policies and competences in ways which meet now the wider sustainable development and climate change goals our international as well as national public commitments demand. That's why we have to convince politicians, policy makers, amongst many other stakeholders, that this

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<sup>71</sup>See Devolution After Brexit, Institute of Government op.cit.

<sup>72</sup>House of Lords Select Committee: The impact of Brexit on Devolved Competences. op.cit.

<sup>73</sup> As we first proposed in our first FRC Briefing paper Food Brexit: Time to get Real. Lang, T, Millstone, E and Marsden, T.K (July, 2017).

is indeed 'a 1947 moment' - when, as indeed more profoundly now a combination of severe austerity and food insecurity led to the assemblage of explicit state commitments to create national planning, food and farming policies for all. That is what present and future generations will expect of today's governments, and that is what is embedded in Wales's Future Generations Act.

13. So far the speed and direction of policy and governance in this realm is insufficient and we need to re-educate our politicians that with political will in the public interest many of the severe and interlinked problems in our food and farming systems can be corrected and ameliorated; and that, indeed, food systems play a critical and proactive role in delivering the wider macro-economic and sustainable development goals. Brexit and the onset of Disruptive governance has indeed, for good or ill, shone a new headbeam onto this policy arena- that of food and farming-which for too long has been taken for granted, and has been allowed to develop in largely unsustainable and uncontrolled and wasteful ways at great cost to the public and public financial support. **We now have the opportunity to structurally re-locate the food policy arena much more centrally into the body politic of the nation, across the whole of the UK, and in ways which celebrate its rich and more democratically devolved diversity.** This is what the onset of disruptive governance is in part telling us; and why its critical analysis both in the UK and beyond is of vital importance in harnessing and linking both food systems thinking with an enlivened debate about participative and devolved forms of effective democratic governance. This imagines a new 'resettlement' in the UK, one which places food systems thinking at the heart of its democratic ambitions.