

Written evidence submitted by Auvikki de Boon (PhD student, University of Reading), Dr. David Rose (University of Reading), and Prof. Camilla Sandström (Umeå University, Sweden)

This evidence is submitted by Auvikki de Boon (PhD student, University of Reading), Dr. David Rose (University of Reading), and Prof. Camilla Sandström (Umeå University, Sweden). The authors are academics and the evidence is based on the findings from a recent study that is currently under review by an academic journal (de Boon et al., in review). The study examined stakeholders' perceptions of the legitimacy of ELM, including the problems ELM is trying to address, the goals it wants to achieve, the means (policy instruments) through which the goals should be achieved, and the process through which ELM is being developed. Ensuring that ELM is perceived as legitimate is important, because a lack of perceived legitimacy can negatively impact the implementation of ELM and compliance with the required measures, and might even result in societal unrest (Dehens and Fanning, 2018; Martin and Islar, 2020; Vringer and Carabain, 2020). This would thus undermine the effectiveness of ELM in achieving its objectives and may therefore contribute to it not constituting value for money for the taxpayer.

For this study, 14 policy documents related to ELM were analysed in detail and 14 interviews with stakeholder organisation representatives were conducted. The organisations that we interviewed were selected based on their reach across England. In addition we included a wide range of different interests, spanning social, environmental, and economic interest organisations as well as organisations representing farmer-, forestry-, and/or landowner interests and we ensured that we included stakeholder organisations with different degrees of formal engagement with the process.

This evidence concentrates on the concerns the stakeholders brought forward in relation to the proposed design of ELM and the design process in relation to its effectiveness.

1. All the stakeholders that we interviewed see that there is a potential for ELM to improve the old system of agri-environment support and bring environmental benefit, but they are very critical about the current design of ELM and are concerned that it will not be able to deliver on its promises, unless considerable changes are made.
2. ELM currently does not adequately recognize and address three underlying systemic (market) failures: a) farmers being pressured into producing cheaper food without reflecting the cost of higher environmental standards, b) food prices do not reflect the environmental costs of food production, and c) the general public is paying multiple times for farming through subsidies to farmers, food prices, and measures to repair environmental damage.
3. ELM currently does not adequately recognize and address siloed thinking and policy making. There is a disconnect and artificial polarity created between production and nature and culture and nature and multiple policy initiatives across government do not talk to each other.
4. The goals of ELM are formulated in a too unspecific manner. For them to be useful and measurable they need to be broken down into specific measurable targets with specific timelines. Only then can they be used to show to the general public that the public money that is invested really contributes to the achievement of public goods.

5. There are potential trade-offs between the multiple goals of ELM and stakeholders are concerned about a lack of coherence between the goals of ELM and other government activities that have potential negative environmental impact.
6. The stakeholders are concerned about a lack of clarity on how the different schemes within ELM are interlinked and how they will be all working toward the same goals. They are further concerned about a lack of a proper and enforceable regulatory baseline that they think should underpin ELM.
7. There are concerns that ELM is incompatible with some types of farming such as small scale farming and organic farming and that it does not properly incorporate non-farmed land and forestry.
8. The stakeholders are sceptical about the effectiveness of ELM due to a lack of a sufficient, long term budget and unclarity about how that budget will be distributed across the different schemes within ELM, a lack of clarity in what happens after the end of an agreement under ELM, the complexity of the scheme, and a lack of a systemic approach.
9. All stakeholders agreed that the income foregone + cost mechanism is too low of an incentive to be effective and they are concerned that the public money for public good mechanism will push out the private market to invest in public goods. They also all believe that a mixture of payments for actions and outcomes would be most effective, but there would need to be a clear mechanism in place through which time lags and external impacts on outcomes are taken into account for this to be considered fair.
10. All stakeholders also agreed that there is an essential role for advice and guidance to help change attitudes and support the farmers to adapt to the new system. They all agreed that there need to be multiple ways through which advice and guidance is shared and that this should be (partially) funded through ELM. The proposals to provide only written (online) advice for the SFI was perceived as not being effective.
11. There need to be more clarifications on how ELM relates to existing regulations from other sectors as well, such as for example, the forestry sector.
12. The stakeholders raised concerns about a lack of clear linkages between the problems that ELM is trying to address, the goals that are aimed for, and the policy instruments. This lack of clarity was highlighted as a potential barrier to the success of ELM.
13. Several of the stakeholders were concerned that the current transition management put unnecessary pressure on farm businesses and rural communities due to strong cuts to basic payments while ELM is not yet fully operating and unclarity about how the previous environmental schemes will be carried over into this new scheme.
14. The process through which ELM is being designed has not included all stakeholders in an equal way (e.g. providing information to some stakeholder earlier than to others), there has not been paid enough attention to the difference in resources that organisations have available to take part in the design process, and some potential stakeholders such as

minority interest groups, the general public, and local authorities have not sufficiently been included.

15. Whilst the stakeholders are happy that there have been multiple possibilities to engage, they are frustrated and disappointed about the lack of action that has been taken on their input and a lack of transparency and communication regarding how decisions are made, which decisions are already made, and which are still open for debate. This lack of transparency negatively impacts the acceptability of the decisions that are being made, thereby reducing the overall support for ELM.

Recommendations:

16. In order for ELM to effectively address the pitfalls of the old system and to create a new system that supports the government's wider environmental and climate change objectives whilst also taking into consideration the economic and social consequences of this transition, the underlying market failures and the siloed approach to nature, production, and culture need to be acknowledged and addressed.
17. To ensure that everyone has the same interpretation of what the goals are that ELM is trying to achieve, and to be able to show how the ELM scheme delivers value for money, the goals need to be broken down into measurable targets with a specific timescale that are directly linked to the problems that ELM should address. Goals such as 'enhanced beauty' or 'thriving plants and wildlife' need to be clarified.
18. The provision of information, advice, and guidance needs to be diversified and be given a more prominent role within the transition period so that farmers can effectively adapt to the new system.
19. The mechanism of paying public money for public goods has potential, but more research and clarity is required on how the monetary value of public goods can be assessed in order to set effective and fair payment rates, whether it is most effective to pay for specific actions or for outcomes and, in the case of the latter, how outcomes will be measured and how time-lags between actions and outcomes and external impacts that negatively influence the outcomes will be taken into consideration. It also needs to be clarified how this instrument relates to the private market. If it will push out the private market from investing in public goods, rather than helping to solve the underlying problems, it might perpetuate them by further institutionalizing market failures.
20. To increase the effectiveness of ELM it needs to be clarified how all different aspects of ELM sit together and contribute to the overarching goal.
21. During the design process, more attention needs to be paid to differences in power between the stakeholders, including differences in access to resources to invest in engagement activities, expectation management, and communication and transparency regarding how the input from the stakeholders is used in decision-making. Support should be provided to those who wish to engage but do not have the resources to do so and engagement opportunities should be made open for all rather than by invitation only. Secondary conversations outside of the official meetings should be reduced and information should be communicated to all stakeholders at the same time.

Conclusion:

22. ELM in its current form risks insufficient support from its stakeholders to be effective and socially sustainable in the long term. However, there is scope for improvement within the structures that DEFRA have laid out. Key areas for improvement include specifying the goal formulation, clarifying how all instruments will be implemented and enforced, increasing transparency of the design process, and moving toward a systemic approach that recognizes the complexity and interconnectedness of the socio-ecological system.

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