

## VALUING RURAL COMMUNITIES

### An Invigorated Approach to Rural Development Policy

Rural Australia has a special place in the cultural identity of our nation. The stories of the adversity and hardship faced by men and women in this country have become legendary. There can be no doubt about the vital role played by rural communities in the history of modern Australia. Many of these communities now feel under siege, with declining populations, declining incomes and a declining quality of life.

This Discussion Paper is designed to promote debate and discussion about the future directions of rural development policy. The Paper argues that rural Australia is vital in the economic, social, environmental and cultural well-being of this nation. The pressures which the rural sector has experienced over recent years from the globalisation of the economy and the domestic program of micro-economic reform has left many rural communities struggling to survive with their human and financial resources depleted.

The arguments presented in this Discussion Paper are based on the principles of Catholic Social Teaching. Catholic Social Teaching regards the problems of rural communities in the context of social justice based on human dignity rather than in the framework of economic activity.

From this perspective the Discussion Paper argues for a new and enhanced approach to rural development policy. This approach should be based on partnerships between all stakeholders as the basis for economic and social development in rural communities.

A Case Study of the Southern Grampians region in Southwest Victoria has been included as a means of highlighting the impact of the broad economic and social forces on one particular Australian community.

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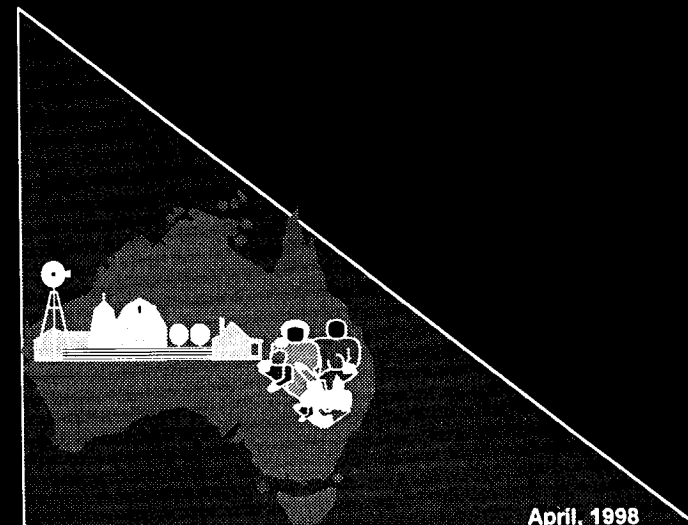


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**Valuing rural communities**  
**An Invigorated Approach to Rural  
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*Canberra*



*April 1998*

The Australian Catholic Social Welfare Commission is established by the Australian Catholic Bishops' Conference with a mandate of advocacy, co-ordination, support, research and advice in the field of social welfare. As part of this mandate, the Commission puts out public statements and promotes public discussion, on the understanding that views expressed in the statements are its own.

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## AUSTRALIAN CATHOLIC SOCIAL WELFARE COMMISSION

The Australian Catholic Social Welfare Commission is an organisation of the Australian Catholic Bishops' Conference and has a mandate to advise the Catholic Bishops of Australia on matters pertaining to national social welfare issues. The Commission, which evolved from the National Catholic Welfare Committee founded in 1957, was formally established by Conference in 1974 and reports to the Catholic Bishops through the Bishops' Committee for Social Welfare.

A Board of Commissioners consisting of individuals with expertise in social welfare policy and practice drawn from across Australia is appointed by the Bishops' Committee for Social Welfare, on behalf of the Australian Catholic Bishops, to oversight the work of the Australian Catholic Social Welfare Commission National Secretariat.

The current membership of the Australian Catholic Social Welfare Commission is:

Bishop Patrick Power	<b>Australian Catholic Bishops' Representative</b>	
Mr Toby O'Connor	<b>National Director</b>	
Fr John Usber (Chair)	<b>NSW</b>	Director, Centacare Sydney
Ms Kathy McCormack	<b>NSW</b>	Director, Centacare Wollongong
Ms Mary Anne Maylor	<b>Victoria</b>	Ballarat Diocesan Family Welfare Service
Fr Kevin Mogg	<b>Victoria</b>	Vicar for Welfare, Archdiocese of Melbourne
		Bishops' Nominee
Fr David Cappo	<b>South Australia</b>	Director, Centacare Adelaide
Mr Dale West	<b>South Australia</b>	Director, Brisbane Catholic Response
Mr Brian Kennedy	<b>Queensland</b>	Director, Centacare Hobart
Fr Clem Kilby AM	<b>Tasmania</b>	Director, Centacare Marriage and Family Service Perth
Mr Tony Pietropiccolo	<b>Western Australia</b>	Director, Centacare Canberra-Goulburn
Mr Neil Harrigan ACT		Director, Centacare NT
Ms Judy Stacey	<b>Northern Territory</b>	
Sr Jan Geason, RSM	<b>Representative of the Australian Conference of Leaders of Religious Institutes</b>	
Mr Paul Fogarty	<b>Representative of Centacare Australia</b>	

The Commission aims to develop a wide range of responses on issues that effect the personal and public well-being of the Australian community. Principally, these responses are intended to raise the consciousness of the community on the impact of specific social policies, proposals and developments.

Policies in the legal, social, economic, political and administrative arenas are considered in relation to the impact these have on the physical, social, emotional and spiritual lives of all Australians. The Commission applies the key principles outlined in the Gospel and the Social Teachings of the Catholic Church to examine the impact and intent of government policies and legislation with specific reference to the human dignity inherent in all individuals and their right to be active participants in their national and local communities.

## FOREWORD

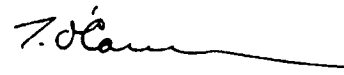
Rural Australia has played a critical role in the social, cultural and economic development of our nation. Australian farmers have provided high quality affordable food to the domestic market, as well as delivering a high percentage of our export dollars. Rural towns have supported farmers and provided an alternative to city living and a focus for developing an Australian identity. However, many communities in rural Australia now feel under siege, with declining populations, declining incomes, declining services and a declining quality of life.

The Australian Catholic Social Welfare Commission is committed to ensuring rural communities are able to prosper economically and socially. This commitment is based on the principles of Catholic Social Teaching which proclaim the central role of agriculture and rural communities in any society.

This Discussion Paper provides a reflection on the contemporary forces which threaten the very existence of many rural communities. The paper argues that intervention must occur to preserve these communities as their existence is vital in our economic, social, cultural and environmental well-being. This is a question of values, both those values which stem from the inherent dignity of every human person, and which commit us to providing rural communities with adequate resources and services; as well as the value which flows to our whole society when rural Australia is strong and healthy.

While it is recognised that some communities and individuals are thriving in the current economic climate, the voices of those who are struggling to maintain their livelihood and their community must be heard. The response to their call should come from Governments at all levels and other institutions in society, including the Churches. The consequences of not addressing the decline of many rural communities may be too great for us all.

On behalf of the Australian Catholic Social Welfare Commission I would like to thank the people of the Southern Grampians region in Southwest Victoria, who so generously gave their time to tell the story of their rural community. Their case study graphically illustrates how the broader forces of economic rationalism are impacting on rural communities and how this community is responding.



Mr Toby O'Connor  
*National Director*  
Australian Catholic Social Welfare Commission  
April, 1998

# C ONTENTS

FOREWORD .....	vii
EXECUTIVE SUMMARY .....	xi
INTRODUCTION .....	1
PRINCIPLES OF CATHOLIC SOCIAL TEACHING .....	3
SECTION ONE - WHAT'S HAPPENING TO RURAL AUSTRALIA? .....	9
SECTION TWO - TOWARDS A NEW RURAL POLICY FRAMEWORK .....	17
CASE STUDY .....	31
CONCLUSION .....	41
REFERENCES .....	43

## EXECUTIVE SUMMARY

This Discussion Paper is designed to promote debate and discussion about the future directions of rural development policy. Rural Australia is vital in the economic, social, environmental and cultural well-being of this nation. The pressures which the rural sector has experienced over recent years from the globalisation of the economy and the domestic program of micro-economic reform has left many rural communities feeling under siege.

The arguments presented in this Discussion Paper are based on the principles of Catholic Social Teaching. Catholic Social Teaching has long promoted the value of agricultural pursuits at both the individual level and for the good of society. Catholic Social Teaching promotes the model of moderate sized farms operated by families as a means of maintaining a wide distribution of the ownership of production; it advocates for the rights of rural residents to have access to essential goods and services in a manner consistent with urban dwellers; and, it promotes the importance of sustainable farming practices under the principle of the stewardship of natural resources.

Section One begins with an examination of the definition of a rural community. It is important to recognise the increasing diversity of rural communities in future policy planning. This section then reviews some of the indicators that rural communities are hurting. This includes statistics on income, health and employment. The changing nature of agriculture, the impacts of drought, the increasing awareness of sustainable land use and the changing construction of rural communities are then examined as both the cause and effect of the crisis being felt in rural Australia.

Section Two of the Discussion Paper considers aspects of the current direction of the Commonwealth Government's rural development policy. The Commonwealth has largely focussed on the goal of developing a profitable agricultural industry. While this is an important goal the process of achieving this has often been detrimental to rural communities. There has been over recent years an increasing emphasis on self reliance and community initiative in rural policy formation. These are all worthwhile goals. However, these policies often fail to recognise that factors such as pressure to increase productivity, increased need for off-farm income and the withdrawal of services from country towns has depleted the resources of many communities and the subsequent ability of these communities to grow and develop in a self sufficient way.

A Case Study has been included in this Discussion Paper. The study was undertaken in the Southern Grampians region in southwest Victoria. The economy of this region has largely depended on the wool industry and the local community has been under pressure over the last decade from the fall in wool prices and the impact of micro-economic reform. The case study is included as a means of highlighting the impact of broad social and economic forces on one particular community.

The Discussion Paper includes recommendations for future rural development policy. The recommendations include research into the concept of social capital and how it is being developed or destroyed in rural communities. Consideration should also be given to developing partnership models which include local communities and the three levels of government. This partnership approach is one being advocated in the United States and a number of European countries. Such an approach recognises that rural communities should be involved in decision making processes

which affect them, however, they also need a coordinated policy framework to support them. An invigorated approach to rural policy development is vital if rural communities are to survive and thrive into the next century.

## I NTRODUCTION

*...many farmers have abandoned their rural birthplace. Now since this is the case in almost all countries and since it affects large numbers of human beings, problems concerning life and dignity of citizens arise, which are indeed difficult to overcome.*

**Pope John XXIII (1960)**

Rural Australia has a special place in the cultural identity of our nation. The stories of the adversity and hardship faced by country men and women in this vast land have become legendary. In spite of the fact that the majority of our population lives in urban areas, the image of the bush is often portrayed as the 'real Australia'. While many of these images are based on myth and legend, there can be no doubt about the vital role played by rural communities in the history of modern Australia.

Much has been written about the plight of rural Australia over the past two decades. The key factors blamed for the deteriorating fortunes of rural communities include the globalisation of agriculture and the subsequent decline in the terms of trade which has resulted in a loss of income for farmers. This loss has been compounded by the withdrawal of many services and businesses such as banks, schools and hospitals from local communities. The changing nature and construction of rural communities around Australia raises questions about the place of these communities in an Australia of the future, and the role of public policy in shaping this position.

This Discussion Paper aims to present a picture of rural Australia as it is today. Using the principles of Catholic Social Teaching as a basis, it argues that healthy, functioning rural communities are vital for the economic, social and environmental well-being of this nation. The current forces shaping rural Australia appear to threaten the very values upon which these communities were built. As a result of the research and consultations with rural communities undertaken during the course of preparing this document, the Australian Catholic Social Welfare Commission calls for an invigorated approach to public policy development in rural areas. The current approach which is largely based on economic goals is limited in its ability to contribute to the development of rural communities.

Many of the assumptions that underlie the current approach to public policy focus on the global market as the organising force in Australia. It will be argued that such a focus can only lead to a further reduction in the extent of and quality of life in small rural communities. If we as a nation believe in the importance of strong functioning rural communities then we must engage in a debate about how such communities are to survive and thrive. This discourse should be underpinned by values, not economics.



## **P** RINCIPLES OF CATHOLIC SOCIAL TEACHING

The Australian Catholic Social Welfare Commission's entry into public policy debates is based on the principles of the Church's Social Teaching. These principles, outlined below, represent a historical, theological and philosophical extension to the fundamental principle of the primacy of the dignity of the individual and embody the Church's advocacy of a just and fair society.

### **SOCIETY AS THE GUARDIAN OF HUMAN DIGNITY: SUBSIDIARITY AND SOLIDARITY**

The concept of justice in Catholic social tradition is a combination of theological and philosophical ideas about the social nature of human beings. This means that obligations to justice go beyond the simple liberal view that justice is about not interfering with people's individual liberty. It includes positive duties to aid those in need, to participate in the maintaining of the public good and to share in efforts to create the kinds of institutions which promote genuine mutuality and respect.

The principle of safeguarding human dignity by ensuring that governments and other agencies do not subsume the proper responsibilities of individuals, families, and civic associations is known as the principle of subsidiarity. The individual, the family and society are prior to the state, and the state exists in order to protect their rights, not stifle them.

The principle of subsidiarity also places strict limits on the role of government in society. Some public commentators have attempted to use a version of the principle of subsidiarity to justify a radical reduction in the role of the state, arguing from an individualistic perspective that people ought to be responsible for themselves, not dependent on others or the government. This is an incorrect application of the principle of subsidiarity, because it is not balanced by the equally important virtue of solidarity.

According to John Paul II, *solidarity is a firm and persevering determination to commit oneself to the common good; that is to say to the good of each individual, because we are all really responsible for all.* (1988, n.38)

Recognition of this interdependence invalidates moral judgements such as "independence is good" and "dependence is bad". Our social nature and the law of love dictate that we are individuals with both rights and duties which cannot be ignored without the diminution of our human dignity. The principle of solidarity balances and complements subsidiarity because it states that society's institutions must ensure that individuals and families are able to carry out their legitimate responsibilities.

### **DISTRIBUTIVE JUSTICE**

A key focus in the social teaching of the Church during periods of increasing dispersion of wealth and inequality of opportunity within and among nations has the principles of Distributive Justice. The notion of distributive justice does not simply support particular acts of sharing out social and economic resources and opportunities among communities for the common good and with a

preferential option for the poor. More than this, it advocates an investigation and, where appropriate, an alteration of the distributive macro systems of the market and social wage to ensure a more equitable spread of wealth and opportunities.

The commitment to the dignity of every individual advocates policy which is dedicated to the community at large, that is, policy which is truly for all of us. The principle of solidarity for the Common Good supports horizontal and inter-generational equity in the distribution and use of resources and opportunities through public policy initiatives and in the operation of public and private institutions. It regards as abhorrent rampant individualism and the sole pursuit of personal gain, of the kind witnessed most clearly in the operation of the national economy during the late 1980s. Such forces hinder the collective development and long-term progress of national communities. Policies which promote solidarity and the equitable distribution of sacrifice and reward through the market and social wage systems enhance the common good and contribute to the dignity of all members of society.

#### STEWARDSHIP OF NATURAL RESOURCES

With regard to the availability and use of natural resources and raw material, significant progress needs to be made in achieving more consensual negotiations regarding the long-term interests of the community. Certainly there needs to be a reduction of the sectionalised lobbying which separates both the industry and environmental interests from the broader public interests and a collective social responsibility. According to the principle of good Stewardship of Natural Resources, the environment and the resources it contains are to be recognised and treated as precious and finite. Responsible use of them includes the long-term management and in some cases the protection of both renewable and unrenovable supply.

#### CATHOLIC SOCIAL TEACHING AND RURAL LIFE

The importance of agriculture and rural communities has long been a strong focus in Catholic Social Teaching. In *Mater et Magistra*, Pope John XXIII first presented his initial description of the economic situation, then he turned to a systematic analysis of agriculture as the primary sector. Dealing with what he termed new aspects of the social question, he noted that although the overall number of rural dwellers had not changed significantly, *many farmers have abandoned their rural birthplace, and seek out either the more populous centres or the cities themselves*. While much of this exodus was attributed to visions of a more comfortable life, Pope John had no doubt that *rural dwellers leave the fields because nearly everywhere they see their affairs in a state of depression, both as regards labor productivity and the level of living of farm populations* (n.123-24).

He proceeded to ask three questions arising out of "this grave matter", which are still very current today: (1) *What is to be done to prevent so great imbalances between agriculture, industry, and the services in the matter of productive efficiency?* (2) *What can be done to minimise the differences between rural standards of living and that of city dwellers?* (3) *How can it be brought about that those engaged in agricultural pursuits no longer regard themselves as inferior to others?* It was clear to Pope John that *where ...requirements for a dignified farm life are lacking to rural dwellers, economic and social progress does not occur at all, or else very slowly*. The encyclical went on to speak of equity in taxes, insurance, social security, credit, price protection and income.

Pope Paul VI, in *Populorum Progressio* (1967) addressed issues of development and the equitable distribution of the goods which stem from increased economic activity. He concentrated on the socioeconomic context of agricultural development:

We are ...up against radical transformations that are causing upheavals in the life of the world. Rural civilisation which was formerly that of the majority of men and ensured their legitimate development, is now attacked on all sides by the rise of an urban, mechanical civilisation that provides multiple objects intended to make men's lives more comfortable. Frequently isolated in remote country areas, are not the young often losing hope in their future as human beings?...Young people wish to live like other young people today, to exercise a well defined profession, to have a clearly marked social status, a house equipped with a minimum of comfort with surroundings worthy of the name ....In short, it is no longer sufficient to check the growing discrepancy of the situation of the rural populations in the modern world. It is a question of giving them a full place in it.

(Acta apostolicae sedis (Vatican City: Vatican Polygot press, 1909-)<sup>1</sup>

Pope John Paul II has kept up this tradition. In *Laborem Exercens* (1981) he wrote, *In many situations radical and urgent changes are....need in order to restore to agriculture - and to rural people - their just value as the basis for a healthy economy, within the social community's development as a whole*. Pope John Paul has also added to the Church's theology of agriculture by addressing the importance of environmental awareness. In the 1990 World Peace Day message he stated,

In our day, there is a growing awareness that world peace is threatened not only by the arms race, regional conflicts and continued injustices among peoples and nations, but also by a lack of due respect for nature, by the plundering of natural resources and by a progressive decline in the quality of life.

The most recent Vatican document concerning rural communities is *Towards a Better Distribution of Land*, issued by the Pontifical Council for Justice and Peace (1998). That document not only calls for adequate social infrastructure such as schools and health services, to be supported by governments, it argues that for both the economic and social good of nations, family-owned and run farms are essential (n.38).

Catholic Social Teaching has been far from silent on the problems of agriculture. Contrasts between Catholic social teaching and the directions agriculture is actually taking are notable. Much emphasis, for example, has been laid on the family farm as the preferred organisation of agriculture. However, family farms are disappearing all over the world. In the poorer developing countries displaced farmers swell the populations of urban slums, while in the industrialised world they become contractors growing crops or raising animals for a vertically integrated agro-industry.

Catholic social teaching on this issue had focussed repeatedly on the question of rural-urban equity, the personal worth of farmers and rural people and the requirements of stewardship God's creation. Catholic social teaching regards the problems of rural communities in the context of

<sup>1</sup> McLaughlin, M., (1994), *The New Dictionary of Catholic Thought*, Dwyer, J., (ed). Minnesota: The Liturgical Press, p 27.

social justice based on human dignity rather than in the framework of mere economic activity.

This Discussion Paper presents an argument for policy directions which focus on the maintenance of rural Australia. This argument is based on the importance of agriculture, the importance of the family farm and the importance of small rural communities. By contributing to the vitality of rural communities, full-time residential farmers enrich the social and political life of the nation as a whole. Cities, too, benefit soundly and economically from a vibrant rural economy based on family farms. Small rural communities are vital in supporting farmers, however, they are also important for a range of other reasons, based on their economic, environmental, social and cultural value.

The title of this Discussion Paper, *Valuing Rural Communities*, represents both the value rural communities provide to the whole nation as well as the values which should underpin the development of invigorated rural policy in Australia.

The value of strong, vibrant rural communities can be summed up accordingly:

- The primary sector is an important source of export dollars. Whilst the proportion of export dollars attributable to primary industry has declined over the years it still makes a considerable contribution to the national economy.
- Rural Australia provides high quality, low priced food products to the domestic market. Australia is independent in its food supply and this supply is continually increasing in quality and diversity.
- Rural communities play a vital role in caring for the environment and the land. There has been a great deal of concern over recent decades over the exploitation of the land by the primary sector, particularly in the environment of economic pressure to increase production levels. Each one of us has a responsibility to assist farmers to safeguard the nation's resources. There is now a far greater awareness of the importance of sustainable land use. The relationship between many rural people and their land, and the caretaking role they play can be summed up by the following quote

Many families are good custodians and do not lightly leave the land which has given them life as well as livelihood. My family has trodden lightly on this place and left no scars. We have tried to understand its secrets and we have loved it deeply. It has been our spirit of place. (Sally Loane, SMH, 9 January 1998).

The concept of stewardship of the natural resources is realised by this care for the land. The Aboriginal and Torres Strait Islander people have much to teach us about caring for the land. Stewardship and respect of the land is a concept that is central to Aboriginal culture. (ACSWC, 1997b).

- Rural Australia is important in maintaining a diversity of lifestyle choices. If rural communities continue to decline to the point where small towns die out, the

urbanisation of Australia will be complete. Further population increases in big cities and large regional centres will place pressure on the infrastructure and fabric of these areas. A level of decentralisation is vital for the economic, environmental and social well-being of the nation as a whole.

- The cultural identity of Australia is closely identified with rural Australia. Images of the unique landscape, the vastness of the empty spaces, the spirit of the people who live and work in an often harsh environment and the spirituality of the original inhabitants of the land, are central to our nation's collective identity.