

Crisis and Change: Engaging Rural Communities in the Sugar Industry

Bandaranaike S*

James Cook University, Townsville, Australia

Abstract

The contemporary crisis in the sugar industry of Australia affects the social and economic sustainability of several regional communities. In an industry that exports 85 percent of its output, confronts downward spiralling commodity price and rising costs of production, growers are facing unprecedented controls. The call for increased efficiency therefore comes as no surprise. Yet, engaging the sugar community in change has proved no easy task. This paper reviews the contemporary status and future options of these communities. The research is based on primary data collected via semi-structured formal interviews in three of the largest sugar communities in Queensland, Australia. Grounded theory analysis is used in an inductive search for categories, patterns and themes. It explores the capacity of these communities to engage in restructuring and the role of stakeholders in promoting community engagement. A conceptual framework for community engagement and change is suggested. It includes the capacity to engage in change, the motivation to conform and the opportunities provided for the change. The results indicate regional differences and it is suggested that government policy must consider these variations in formulating regional engagement strategies.

Keywords

Change, community engagement, capacity building, opportunity, motivation

Introduction

Rural communities in Australia are confronting a period of unprecedented change, and the sugar industry is no exception. The industry has dominated coastal agricultural production for over 140 years, with the state of Queensland accounting for 95 per cent of the national sugar production. But today, 6000 growers and triple that amount of allied workers in Queensland alone, are facing a time line for survival. It is evident that the impact of globalisation has favoured economic rationalism over social sustainability in rural policy and rural communities given the choice to restructure their farming enterprise or quit the industry. Therefore given the volatility of export markets in sugar and the vulnerability of small cane farms, restructuring rural communities is inevitable and desirable. However, it is the approach to the restructuring process, the capacity of individual communities to engage in change and the support they receive from other stakeholders that is of significance. In this context the paper reviews the demographic background of the community at stake, evaluates the contemporary engagement practices in place within the farming enterprises, reviews the role of stakeholders and then provides a conceptual framework to manage change. This framework is based on the capacity of the community to implement change, their motivation to conform and opportunities that foster

the change. The research also indicates regional differences in engagement, and suggests these variations need to be considered in rural policies for successful engagement.

Literature review

The core concept of sustainability as developed by the Brundtland Report (World Commission on Environment and Development 1987) implies inter-generational and intra-generational equity. This prescription of sustainability has been followed by government and non-government agencies to guide behaviour and set norms for the management of land and water indispensable to rural agriculture.

The ambiguous interpretations in the concept of sustainable development have been the contention of much debate (Buttel 1997; Redclift 1997; Le Heron and Roche 1997). Further, in rural policy discourse, social and community dimension of sustainability trail that of economic and environmental sustainability (Scott et al. 2000; Stoneham et al. 2003; Mooney 2004). Likewise, some major reports on the future sustainability of Australia's sugar industry emphasise economic and environmental sustainability at the expense of social sustainability (Hildebrand 2002; Centre for International Economics (CIE) 2003; Boston Consulting Group (Boston) 2003). This is further echoed in another recent report that focuses on fundamental challenges to the sugar industry in terms of fostering economic sustainability and "improving its environmental record" (Sugar the Way Forward 2003, p. 13). A more practical approach as suggested by Scott et al. (2000, p. 443) is an alliance where "people who form different communities of interest around the issues to engage with the issue and each other in new ways in an effort to get things done" thus marrying social and economic sustainability. Therefore ideally community engagement should take into account the long-term interest of social sustainability in promoting economic and environmental sustainability.

In social sciences discourse on rural communities, sustainability is linked to the concepts of social capital, capacity building, networking (Putnam 1995; Woolcock and Narayan 2000; Stone and Hughes 2001; Chenoweth and Stehlik 2001; Tenkasi and Chesmore 2003; Haslam McKenzie 2003) and more recently community resilience (Healy et al. 2003). These concepts are explored below.

While there has been a growing literature on social capital with amorphous definitions, Bullen and Onyx (1999) identified several key themes, which are analysed in detail in the work of Chenoweth and Stehlik (2003). Onyx and Bullen (2000, p. 39) also identified some key correlates of social capital as, participation in networks, trust and social pro-activity. Putnam (1993), who popularised the concept of social capital, concluded higher levels of economic growth were correlated with a high level of civic engagement of the individual. Later however, he argued social capital is not solely the characteristic of an individual, but could be the property of a group or even that of a nation (Putnam 1994). Justifiably, Chenoweth and Stehlik (2003, p. 70) admonishes that social capital should not be considered a panacea for social problems.

Social capital is a concept closely related to social cohesion and has the potential to add vitality in rural communities

Capacity building can be defined as strategies that seek to empower, motivate and capacitate regional communities through the development of leadership, skills, resources, partnerships and information to access their own goals. It is commonly believed that these measures then can potentially empower local communities to overcome adverse socio-economic pressures. However, Barker (2005, p. 17) categorically states that a preoccupation with economic outputs and an overemphasis on the biophysical environment will not promote community involvement. McKenzie's research (2003) indicates that "while government policies have used the rhetoric of community self determination, capacity building and regionalism, de-regulation has undermined the funding necessary to make good the claims". He has argued that this destroys the formation of social capital.

In planned organisational change well-established social networks provide a strengthening of community ties and provides a shared understanding (Tenkasi and Chesmore 2003). In a crisis environment faced with uncertainties, communities tend to rally around their own local interests and local decisions, which could impede strategic change to succeed (Krackhardt 2001 cited in Tenkasi et al. 2003, p. 284). Carley (1991) argues strong social networks can act as cultural conduits and that change will be more readily accepted with greater interconnectedness and an abundance of strong ties.

More recently, the concept of community resilience is viewed as an important dimension of contemporary policy debate in enabling communities to respond to, and influence change (Healy et al. 2003; Chenoweth and Stehlik 2001). It is defined as the individual and collective capacity to cope with change under adverse conditions. Haslam Mckenzie (2003) notes the involvement of government in regional development is significant in the building of resilience in the context of an economic and social decline.

The concept of community engagement, which has more recently entered the parlance of community debate, incorporates the above concepts and is the focus of Queensland State government policy (Engaging Queenslanders 2003a, 2003b). The government plans to develop more effective communication with regional communities through better engagement practices within the public sector (Engaging Queenslanders 2003a) and the business of government (Engaging Queenslanders 2003b). According to McGinty (2002), 'community capacity building' originally evolved from 'community development', and has now taken on a new identity in the form of 'community engagement policy' followed by the Queensland Government.

To implement better engagement practices, as defined by the Queensland government, there needs to be a total awareness and commitment by the community to the processes of social and economic change. Loder (2003) argues there is a need to use development processes that

allow or enable people to define and work towards their own objectives, to manage their own initiatives, to be effective advocates and mobilisers of social change and economic development. Kingma and Falk (2001) add, communities need to be engaged in new ways and argue that policies for rural Australia should support an infusion of new values associated with cooperation, goodwill, common-wealth and tolerance. A primary aim of this research therefore is to identify and locate those engagement practices that will best suit the restructuring of the sugar industry and to assess the capacity of the community to engage in change. A secondary aim is that of assessing the role of stakeholders in implementing better engagement practices within the public sector.

Methodology

The research is based on primary data collected in three major sugar-growing regions in Queensland — Burdekin (Burdekin District), Herbert (Herbert River District) and Mackay (Central Region) as illustrated in Figure 1.

The research was designed to allow the viewpoints and experiences of the participants to constitute the primary data source. Therefore data was collected via semi-structured formal interviews in the selected communities where grounded theory analysis is used in an inductive search for categories, patterns and themes. Grounded theory research aims to produce descriptive and/or explanatory level theory regarding phenomena that have previously not been adequately described or explained (Glasser and Strauss 1967, p. 5). The objective of this technique is to build a theory that is faithful to the evidence. While it enables the comparison of unlike phenomena with a view to learning similarities, micro level events are seen to be the foundation of macro-level explanation. Since the sugar industry is in a state of constant flux, grounded theory is ideally suited to measure these changes over a period of time. The major themes followed in this paper are perceptions of change, issues in conflict resolution and crisis mitigation.

The sample included a wide cross section of the community with a total of 823 individuals, comprising 238 growers and 585 other stakeholders. This paper is based mainly on the 238 growers interviewed, with other stakeholder input only in so far as they affect grower engagement. The interview period was between January 2004 and February 2005. The timing of the questionnaires varied between 60 to 150 minutes per interviewee. Eighty two per cent of the growers were interviewed at home and the balance at shire councils, clubs, schools and at forums held at local hotels and grower residences.

Techniques of sampling included mainly face-to-face interviews supplemented by focus groups, phone interviews and mail out questionnaires. Detailed information was sought in terms of demographics, farm characteristics, major issues confronting the industry, perceptions and opinions, stakeholder relationships and engagement in change.

The rural community engaged in sugar production are the primary stakeholders, referred to as the growers in this paper. Secondary stakeholders comprise the millers, mill workers, harvesters, transporters, government and non-government agencies and the business community.

A major limitation in the study was the inability to access a comprehensive sampling frame of the growers owing to confidentiality and privacy regulations. However, once initial contact was made with growers through community organisations and media publicity, the technique of snow balling was used to select the sample population. Issues in estimating the actual number of growers within a region were another limitation in sampling. Farming enterprises are recorded as a grower unit and may comprise an individual, a couple or a group of growers. This means, one family could have more than a single farming enterprise and be recorded as multiple entities. Owing to this complicated system of administering and recording the demographics of farming enterprises, making it difficult to give an accurate estimate of the percentage sampled. Overall the coverage is expansive and the methodology — the grassroots level approach — makes the findings very useful in the current context of change.

Change at three levels — The Growers, the farming enterprise and the industry

A consolidated and committed community is the foundation for successful management of change. This paper investigates change at three levels — The Growers, the Farming Enterprise and the Industry. Part I reviews demographic and social change, Part II discusses adaptation of farming enterprises, Part III analyses role of industry stakeholders, and Part IV provides a framework for community engagement.

Part I: Demographic and social change

Although overall population growth in the Queensland sugar towns is moderate to stagnate (Figure 1a), the proportion of cane farmers and managers in agriculture is high (Figure 1b). The characteristics of these populations are representative of the contemporary communities engaged in cane farming in Australia.

Even though the total fertility rate (TFR) of rural sugar communities is relatively high in 2.8 (Bandaranaike 2004b) compared with TFR 1.7 for all Australia (ABS 2004), in absolute numbers the rural population of sugar towns is declining (Figure 1). This is evident in the large number of younger age groups leaving rural communities. Despite this trend, the research found these sugar communities having a strong social and economic bonding with their locality and a willingness to remain in the region even at a time of crisis. Grenier et al. (2003) comment that if there is a strong 'desire to remain' within the area, then this may provide a very strong motivation for ensuring sustainable development. It is this spirit that needs to be captured and exploited in building the capacity of these communities and their commitment to the industry.

However ageing and succession are major emerging issues in the sugar communities. It was noted in this research that 54 per cent of the growers were above age 50, with 15 per cent of them more than 65 years and, above the national average (ABS 2004). Also, significant regional variations in those above 65 years were noted — Herbert 27 per cent, Burdekin 20 per cent and Mackay only 11 per cent. The impact of age variation on farm restructuring, potential uptake of innovation and participation in education and training needs to be considered within regional policy frameworks. Ageing of the farming population is exacerbated with the issue of youth out migration and the collapse of farm succession in many of these communities. Gray et al. (2001) note tradition is maintained by transmitting beliefs, values and practices together with an ongoing labour supply. He believes, as succession declines so will community ties. A community with strong family tradition in farming therefore has the potential to provide the essential social cohesion for community engagement

Mackay (Figure 1) is particularly vulnerable to youth out migration. With the national skill worker shortage and the proximity of mining towns, young farmers are lured away from the cane farms to lucrative wages in the mines. The question posed by the growers is ‘why would we want to retain our youth in the sugar industry when we cannot see a future for ourselves?’ They suggest as a solution ‘if young farmers need to work off farm — offer them jobs in the mills to keep them local, instead of losing them to the mines. Mills are short of workers during the crushing season’. There is an obvious conflict in a desire to retain the youth for family succession in ‘we have lost an entire generation’ and yet the need to let them go — ‘our greatest pride is, as parents, that our children have university degrees and will never be dependent on primary industries for a living’. Even though off-farm income, particularly from mining, is a popular option now to supplement farm income, it may not be socially viable in the long term. On the other hand, many small dairy farms in Canada are now functioning with off-farm income on a long-term basis (D Martz 2005, pers. comm.). Changes in restructuring therefore need to take into account both the ageing and the youth out migration as major social issues impacting on the economic viability of farming enterprises.

Despite negative demographics, positive social trends are foreseen in the forging women’s networks. One of the major setbacks to engagement is the lack of strong leadership and cooperation in the community. This research has noted emerging women’s groups having a keen interest in the future of cane farming. Increasing research evidence suggests the importance of women’s leadership in strengthening rural communities (Walls and Tanner 1994; Pinni 2004). Their contribution to social capital is noted as inestimable. The recent resurgence of Rural Women’s Networks in Mackay, Herbert and the Burdekin illustrate the willingness and drive to participate in decision making and networking. The positive and confident role played and visioned by these rural women is expressed in the voice of these women:

“We are working harder as paper work increases and doing outside work we never envisaged. We are also the emotional backbone of families. For every step forward women taken ... they take two backwards. BUT women have become more determined

to have input and their say and not just work at home and on the farm, but attend meetings and have their say. Women need to obtain seats in decision-making.”

Part II: The farming enterprise

The profitability of the farming enterprise is the key to survival of the sugar industry. Yet, there are formidable barriers to change that are unknown to the public. Part [a] discusses these issues, Part [b] examines perceptions of growers to change and Part [c] reviews the linkages between the farming enterprise and industry.

[a] Major issues

The major issues confronting growers is identified through responses to the question, ‘What major concerns / issues do you have regarding the survival of the sugar industry?’

The response from the 238 growers interviewed in order of priority were:

1. Poor price for the commodity (sugar) (24 per cent)
2. Pricing and limited access to water (12 per cent) and
3. Need to diversify cane revenues (11 per cent).

Other major concerns were adverse weather, high farm overheads, government regulation and bureaucracy, monopoly and control of mills, youth out migration, breakdown of the social fabric, poor information dissemination and the fear of control by agribusiness and corporate bodies.

In addition there were inter- and intra-regional variations resulting from underlying demographic and social composition of the population, farming characteristics and the prevalence of competing economic opportunities, as discussed below.

BURDEKIN: The majority of the respondents stated their biggest concern was the ‘conflict with the mills’. These sugar mills are currently owned by CSR Ltd, a private company that determines the system of payment to the growers. The major dispute between growers and the millers is the fact that growers are paid only for the cane and not the by-products that the mill processes. On the contrary, the millers say the price paid for the cane ‘Took into consideration the compensation for the by-products’. This conflict is vital to the process of engagement since ‘diversification into cogeneration and ethanol’ remains the second most important issue in this region and therefore negotiations in payment for the product must be resolved. The Burdekin through its community leaders have been pushing for value adding, especially in bio-fuels and co-generation (Cox 2005). Eighty three per cent respondents of the business community supported diversification as the preferred option (Bandaranaike 2004a). Unfortunately, the motivation and capacity for engagement in value adding has been interrupted through limited negotiations with the CSR mills. Even though there are variations in water supply between the ‘Delta’ and ‘Clare’ localities, compared with other cane areas, the Burdekin is more advantageously placed in its access and reliability of water supply, thus making value adding products a priority for this region over that of ‘Price’.

HERBERT: In contrast to the Burdekin, the major concern for Herbert growers is 'accessing a fair price' followed by the need to 'value add' and 'lowering farm overheads'. Here, where the average farm size is small, around 100 hectares, and production costs high, profitability and 'price' for the commodity become major concerns. Combination of high input costs and low product prices together with alternating wet weather, orange rust (crop disease) and drought conditions have increased the variability in farm incomes. Since farm income is derived from profit alone, price of the commodity naturally becomes a major concern. Farm families are compelled to go into debt to stay in the enterprise and cover living expenses. A respondent commented that at today's sugar price he would be at 'break even' point, if there was 'no debt, no capital replacement and a reasonable crop' clearly articulating the major issues in this region.

Of the three sample regions, Herbert has the lowest output in raw sugar, averaging 529,000 tonnes for the period 1998–2004, compared with 1,273,000 and 1,251,000 tonnes for the Burdekin and Mackay respectively (B Milford 2005, pers. comm.) adding to the dilemma of price and profitability. 'Value adding' through ethanol and cogeneration are major priorities in both Herbert and the Burdekin. The stumbling block is price negotiations with the CSR owned mills. Growers firmly believe in managing change within the industry then, 'They need to make progress with value adding products'.

MACKAY: Grower concerns for the region as a whole, varied in order of priority from, receiving a 'fair price' for the commodity, to reliable 'access to water' and 'the loss of youth' from the industry. Mackay has a wider geographical spread in their grower localities and a more diversified economy, which in turn has influenced their regional priorities. There were considerable intra-regional variations within Mackay in the areas of Proserpine, Sarina, Mirani and the outskirts of Mackay. Proserpine for example, indicated price was not their major issue. This could be a result of the higher levels of satisfaction with Proserpine's locally owned co-operative Mill. 'Bureaucracy' was the outstanding complaint — 'Too many outsiders had control' on the industry they said, referring to the poor representation of growers in decision making bodies. In Sarina, adverse weather and lack of water were more important issues. In Mirani, the most important issue was 'family breakdown' affecting the social fabric of the community. This was a result of large numbers of growers engaging in off-farm work to support the cane farming enterprise. Nine out of ten growers interviewed had off-farm work and mainly in the mines. In addition seven out of ten enterprises had other family members supplementing the farm income with 'other work'. Therefore getting a 'fair price' was a major concern for Mirani. Then, in the immediate outskirts of urban Mackay, 'youth out migration' was a major issue. The rapidly growing urban complex provided opportunities to engage in other economic activities. A typical comment being 'We want to get a comparable living standard to that of others'. Therefore getting a 'fair price' was most important to the growers in this locality.

Following on from these major issues as expressed by growers, it was then relevant to find out how they visualised change and wished to engage in change.

[b] Perceptions of change

While growers are willing to accept change, the most common response was, 'We don't want to change for nothing'. Their opinions and options on change are discussed here through a series of responses categorised on a scale of five [strongly agree, agree, disagree, strongly disagree, don't know]. The statements provided were based on goals set by working reports such as the Hildebrand (2002) and Sugar the Way Forward (2003). The main focus of recent review and reports has been that of greater sustainability through increased productivity. Predictions by the CIE (2002) and the Boston (2003) reports are that if productivity does not increase the industry will collapse within the next two years. However, growers do not believe the industry's problem lies in increasing productivity. They say 'Personally our productivity is okay, but we cannot continue to tread on thin ice by selling our product at the current price'.

In the analysis that follows, options and issues in implementing change are discussed under three major concerns evolving from Part II a.

- i. Opportunities for diversification
- ii. Measures to increase farm productivity
- iii. Resolving industry conflict

i. Opportunities for diversification: There is a general consensus in the community that cane farming must diversify to conform to the changing economic climate. Seventy-two percent strongly agreed / agreed that 'Cogeneration will supplement grower income'. Yet the biggest contention was 'Will it be the Mill's income?' There was lesser support for diversification to ethanol, with only 64 per cent strongly agreeing/agreeing to the change. This is because a substantial proportion of the community are not convinced as yet of the benefits of ethanol (Bandaranaike 2004a). Some say these changes 'Will be too little too late'. Others qualify their statement in saying they require 'Diversification with government mandated legislation'. Cox (2005) argues 'Bio-fuels and cogeneration are by far the largest and most viable based on existing technology and, both offer major economic, environmental and social benefits'. Other forms of diversification have lesser support from the growers. Only 52 per cent agreed to diversify into forage products and 42 per cent to food crops because 'We don't want to stuff up another industry [by oversupplying]' and 'We tried but hard to sell'.

ii. Increasing Farm Productivity: Measures to increase farm productivity was assessed in the response to 'Should farms get bigger?' Sixty per cent strongly disagreed/disagreed because 'If we are forced to get bigger, we need interest free loans to enable us to do this' and 'At current prices [we are] better off sitting on what we get, than get bigger'. On the other hand the response to the question 'Whether small farms are more viable than large farms?' only 43 per cent strongly agreed/agreed. In the current climate it was felt small farms are viable 'Only if you

have off-farm income'. Response to another related question 'Whether current farming practices should change?' was positive with 55 per cent strongly agreeing / agreeing that it should. Overall therefore, while change was accepted in farm management, the notion of farms 'getting bigger' and the viability of small farms were argued on the basis of financial constraints. The minority who did 'Get Bigger' and mostly on bank overdrafts, argued their case on economies of scale and the hope that 'Things will get better'.

iii. Resolving Industry Conflict. A major and longstanding conflict continues between the CSR administered sugar mills and the growers. More than three-fourths (79 per cent) of the growers strongly agreed/agreed that 'The ownership of the mills should stay with the growers'. This conflict is of concern since it prevents the much needed capacity building and social cohesion for community engagement. Further conflict is also evident between government deregulation policies and the grower. On the issue 'Whether deregulation had benefited the industry?' 86 per cent strongly disagreed/disagreed with the statement. They said 'Why would we? We are price takers' and, that 'The deregulation of the industry — the removal of CPA etc — has not given the return promised by our bureaucrats'. These arguments support the need to foster industry partnerships for total commitment in change.

[c] Farming enterprise and industry linkage

Sugar Way Forward (2003) has predicted 'Industry will be unviable everywhere except the Herbert/Burdekin district, where it would be barely profitable'. If price stays low (\$245 per tonne) and productivity does not improve, the industry could collapse within the next five years. In this research the growers have clearly acknowledged 'price' as the major issue confronting the future sustainability. For example in the Mackay region to achieve viability raw sugar price must increase from \$231.88/t (2003) to at least \$260/t by 2007 (Canegrowers, Mackay 2005, pers. comm.). A comment from Mackay is 'The industry as we knew it, for family and lifestyle is all but lost. If we do not receive a price for our product well above the cost of production, after this season we will see many growers stop cane production and stay in the mines'. Given the appallingly low price for sugar, engaging in change and achieving profitability in the sugar industry implies diversification into other cane products and/or increasing the cane acreage.

However, in the current context, the biggest issue in achieving profitability is affordability in accessing finance for investment. High debt levels have stopped farmers from expanding, and Banks are refusing to grant loans. According to the Hildebrand Report (2002) the Queensland Regional Authority (QRAA) debt information shows debt among growers has increased between December 1999 and December 2001 by \$152 million. In 2002 there were 2751 borrowers with an average debt per borrower of \$428,000. Personal communication with growers has indicated that the situation has worsened since 2002 with several growers being denied access to bank loans.

The issue of value adding to cane therefore becomes a priority and has the wide acceptance of the community. But farms and mills need to forge real partnerships that feature shared responsibilities, power and mutual benefits. It is not just the opportunity or capacity to produce value adding products, but the motivation to engage in that change which is important. The opportunities for cogeneration and furfural production are high in Mackay, especially in Proserpine, yet diversification will depend on a viable sugar base. At the 2003 season yields of 66.47/ha and the then sugar price of \$231.88/t in Mackay (Canegrowers, Mackay 2005, pers.comm.), the industry is not viable.

Other farm/industry linkage issues are related to lack of effective networking. This is a consequence of the general lack of trust and confidence in Federal and State government policies and the perceived inequitable treatment to growers. They say:

“National competition policy (NCP) is failing all but the corporate multinationals and the election coffers of the major parties. Farmers produce 36 per cent of the GDP, yet receive an average income of \$15000 per annum. Where is the principle of user pays and the benefits going to those who produce the most ...under the NCP?”

International competition demands productive efficiencies, which according to economic rationalism is possible only through increasing farm size. But the ‘get bigger’ concept is hardly applicable to growers with financial constraints and social restraints on manpower. With improved networking this situation may be overcome through joint ventures between growers, cooperative farming between small groups, or participating in leasing options. However, a major limitation to the latter is, it could be contrary to the cultural tradition of ‘owning’ one’s farm.

The effective participation and support of stakeholders is vital to restructuring of the industry. This research documented the individual contribution of stakeholders as perceived by growers.

Part III: Role of stakeholders

There have been several financial assistance packages to the industry in the past from both the State and Federal governments. This paper reviews briefly the impact as at the time of writing of the most recent Federal government assistance package of May 2004 (Sugar Industry Reform Program (SIRP) 2004) which provided \$444 million to support reform and restructuring in the industry whose task was ‘to help individuals determine their futures’.

The common public misconception regarding SIRP was that it was a ‘handout’ when in effect it was meant to be a reform program to assist the sugar industry in the short term to alleviate the downturn. This misconception has unfortunately created an antipathy and distancing from the sugar community and worked against community engagement. In addition, adverse publicity in the media (e.g. Diamond 2005; McKinnon 2005) has further aggravated public misconceptions.

The reform program (SIRP 2004) provided assistance to growers, millers, harvesters and other industry stakeholders including services in crisis counselling and business advice. Of the packages the most popular uptake has been the Income Support Package followed by the Re-establishment Grant. Regionally, more growers in Mackay (proportionally) have accessed the SIRP package, followed by Herbert. Although this alone cannot be taken as an indicator of the magnitude of change, it could be an indication of communities engaging in restructuring within the industry. A small minority have taken the Intergenerational Transfer Package and exited the industry (SAN June 2005, pers. comm.). The most debated package, described by growers as 'the most useful' was the Sustainability Grant which ironically is also the most disputed package today. Having received the first instalment last June, growers are awaiting the delayed second payment of this grant, which is conditional to submitting a regional program outlining the industry's future progress. Overall growers are disappointed in the outcome of these packages since access is restrictive and engagement in change limited. The outcome to date was summed up by one grower as '[it is] easier to rob the bank'.

The service provision of other government and non-governmental agencies was reviewed in terms of actual support services made available to the growers. Responses to the question 'What is your assessment of the services provided by the following agencies to your farming enterprise?' were assessed on a scale of five [very useful, useful, somewhat useful, not useful, don't know]. For the analysis in this paper, the first three categories have been grouped together as 'Useful'. More than 90 per cent of the growers reported the services of the Cane Productivity Board (CPB), the Bureau of Sugar Experimentation Stations (BSES) and Agricultural Companies were the most useful and supportive in the management of farms. Seventy to ninety per cent agreed the next most supportive agencies were the regional Cane Grower establishments. The other stakeholders listed in the survey were Department of Primary Industries (DPI), Commonwealth Scientific and Industrial Research Organisation (CSIRO), Landcare, Department of Communities (DOC), and the Environmental Protection Agency (EPA). On the original scale of five, DPI, CSIRO, Landcare and EPA were rated as 'somewhat useful', while the services of DOC were rated mainly as 'not known' in the sample localities, perhaps due to the fact that some of the social services delivered were not associated with the DOC. Other services that the growers found 'useful' and not particularly linked to an organisation were attending Field Days (89 per cent respondents) and the use of Journals (83 per cent respondents). A more comprehensive regional analysis of the service delivery by stakeholders is found in Bandaranaike (2005).

A more recent effort at consolidating service delivery has been attempted by a network of stakeholders in Queensland, several of whom are mentioned above, and referred to as the Sugar Area Networks (SAN). The aim of this network is to provide a forum for sharing information, coordinating and delivering the state and federal sugar reform program services. Networks such as this have a useful function in capacity building, networking and promoting rapid community engagement.

This research indicates while the various government departments and NGOs are working towards improving the condition of the industry, there needs to be further networking and communication with the growers at the grassroots level.

Part IV: A conceptual framework for change

The Queensland Government's community engagement model, based on the Organisation for Economic Cooperation and Development's model, views engagement at three levels — information, consultation and active participation (Engaging Queenslanders 2004). In this research, the proposed conceptual model illustrates the linkages between the challenge of change and its adoption in the context of economic rationalism and social sustenance. Economic rationalism in this paper refers to the goal of achieving maximum profitability in the industry and social sustenance is the 'physical' survival of the sugar communities. The model also illustrates the interconnectedness between the challenge of change and its adoption via the processes, linkages and energy. These linkages are referred to as Capacity, Opportunity and Motivation respectively, in the model (Figure 2).

Capacity is building resources and skills within the community to enable the people to engage in change. The focus is on leadership, empowerment and networking.

Opportunity is the provision of resources to engage in change, such as the opportunity to diversify from raw sugar to value adding products from cane; for young growers to remain as full time cane farmers; educational resources for farm management.

Motivation is the force that endorses change. It is based on rewards and incentives accessed by the community. In the sugar industry it is the motivation to increase productivity with negotiations for a better price; the guarantee of overseas markets; lower production costs, provision of government incentives and support.

In this model, perceptions of change are related to visions of their future and conditioned by the prevailing capacity, motivation and opportunity to participate in that change. For example, 'we cannot reform [as required by SIRP] because we cannot afford. They want us to diversify, but we cannot grow the crop without water.'

The model identifies designated paths and links. The challenge of change is triggered through economic rationalisation in the industry (including farming enterprise) and the need for social sustainability. The challenge of change activates capacity building, provides opportunity and endorses motivation. These three attributes jointly engage the community in change. Each of the attributes in turn, is linked to variables discussed in this paper and as indicated below.

1. Provide OPPORTUNITY for:
 - a. Diversification and access to water
 - b. Programs for retaining youth
 - c. Education and Training

2. Build CAPACITY through:
 - a. Effective leadership
 - b. Empowering women
 - c. Facilitating networking

3. MOTIVATE the Community by:
 - a. Increasing the profitability in the enterprise
 - b. Negotiating the right markets
 - c. Lowering the farm overheads
 - d. Securing trust in stakeholders.

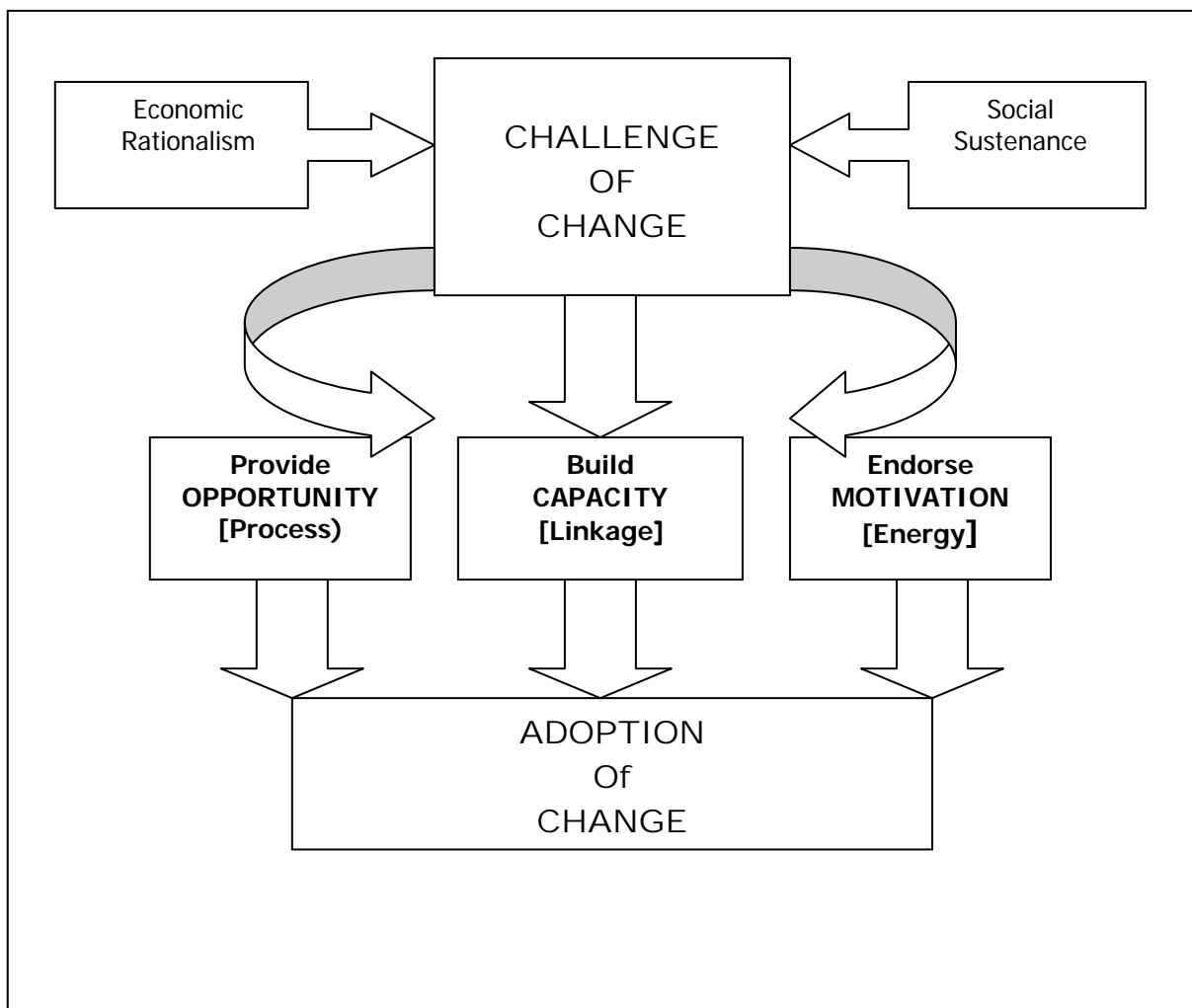


Figure 2. A conceptual framework for engagement in change

For a sense of community to develop there must be a shared sense of belonging and a common set of values and norms of behaviour. It was observed in those sugar communities, where sugar was the dominant crop and population relatively small, the conflict of local politics and divisive leadership were prominent. This inhibits the common set of values required in capacity building and community engagement. Lodder (2003) argues that building capacity is not just developing skills, knowledge and resources. She says people must define and work towards their own objectives and 'be effective advocates and mobilisers of social change and economic development' (Lodder 2003, p. 17).

It was noted earlier that in rural policy discourse, the social and community dimension of sustainability trailed behind that of economic and environmental sustainability. However, if the conditions of capacity building, opportunity and motivation are met, then communities will meet the challenge of change successfully, achieving productivity, profitability and social stability, and in turn satisfy both economic and social sustainability.

This model is practical and takes into account the present conditions of the industry in adjusting to the future. In an industry where up to four generations have been engaged in farming, where succession is becoming a lesser option, leasing is hardly an option, sale of property uneconomical and exiting the industry impossible, it is a Hobson's choice. This means a very disillusioned ageing population is retained without the capacity, motivation and opportunity to engage in change. Productivity improvement therefore, is critical to offsetting the ageing problem. New policies need to focus on programming education and management training to provide opportunity and motivate change and most importantly attracting youth back into the farming enterprise and the industry,

In summary, this conceptual framework suggests the challenge of change depends on the processes, linkages and forces in place. Processes need to be in place to provide opportunities through diversification, education and retention of youth and linkages established to build capacity in leadership, networking and empowering women. Finally, the driving force is providing the motivation to change through better price, guaranteed markets, economies in inputs, and stakeholder support.

Conclusion

The paper has investigated the processes, forces and linkages at the regional, community and farm levels which impact on community engagement. While social aspects have been emphasised in this paper, it is acknowledged that economic and environmental sustainability are central to achieving social sustainability.

This research shows sugar communities are resilient having been through cycles of boom and bust, yet willing to engage in change. They have substantial experience in cane farming and an established tradition of succession. But the demography of these towns is fast changing, with

declining populations, issues in farm succession and the ageing of the stay-on population. Therefore there needs to be a policy in place to retain the younger age groups in farming and attract back those that have left for other economic opportunities.

Intrinsic to the notion of profitability and productivity are the requirements of a fair price and guaranteed markets, lower overheads and value adding to cane. However, there is a general reluctance to 'get bigger' owing to financial restrictions and the unwillingness to acquire a larger debt. Yet, all growers are not fully convinced that small acreage farms are more productive than larger farms nor vice versa. With some reservations there is general consensus that farm management practices need to be changed.

A basic theme in this paper is conflict and trust. An emerging social issue is divisive communities, the tall poppy syndrome and the lack of effective leadership, which affects crisis mitigation. There is an urgent need therefore, to improve negotiations and networking between the divergent groups and build trust and confidence in inter community relationships. It has been suggested that opportunities for women to participate in negotiations and decision-making could alleviate this situation. Special policies should be implemented to empower rural women to become catalysts in change.

Admittedly while growers need to change, stakeholders must create opportunities and motivate the growers to engage in change. Profitability should not be the prerogative of an individual stakeholder group, but the shared outcome for all industry participants. Community engagement is about community contentment, trust and faith between stakeholders. It means enabling policies must be in place to restore trust, capacity and motivate the community to engage in change. Internal local politics must yield to participative and inclusive leadership, which will assist the process of networking and restoring trust.

Central to this paper is the conceptual model that suggests improved community capacity incorporates higher levels of motivation and greater opportunity to facilitate community engagement. In accordance with the Queensland government policy of 'seeking new and more integrated ways to work with communities' (Engaging Queenslanders 2004, p. 7), this conceptual model suggests a practical approach to contemporary issues prevailing in the sugar industry and is useful in policy framework. While existing policy dictates the conditions of change, and the need to conform to change, it does not clearly identify the process of engagement.

Community inclusion in decision-making and policy formulation is vital for community engagement. The dichotomy in the industry between millers and growers, poor networking, loss of youth and issues in succession, ageing of the mainstream farmer population, leadership conflict, rising overheads, poor commodity price and lack of trust in the government have all contributed to the current crisis in the sugar industry. This path to inclusive community

development is illustrated in the conceptual model through building capacity, providing opportunity and endorsing motivation in the community at risk.

The affect of the sugar industry on regional locations is distinct, strategies of survival selective and community adaptation anecdotal. Different behaviours and adjustment to crisis have developed through variations in the demographic and economic backgrounds of the sugar towns. Regional variations were noted in demographics, prioritisation of major issues, varying regional economic opportunities, stakeholder relationships, diversification options, innovation and strength of leadership. For successful community engagement regional rural policy framework needs to be inclusive of these regional variations.

The future of the farming enterprise requires productivity, profitability and empowerment. People on their own cannot make changes without adequate opportunity, the capacity to build on changes and the motivation to engage in that change. All stakeholders, including industry, must facilitate change through the alternative paths suggested in the conceptual model.

The process of globalisation has increasingly exposed and threatened the sustainability of the sugar industry to a wide range of new pressures. Therefore a refocussing on a sense of community and place will provide the opportunity to restore confidence, mobilise social capital and motivate change.

References

- Australian Bureau of Statistics (ABS) 2004, *Census of Population and Housing*, Canberra.
- Australian Bureau of Statistics (ABS) 2004, *Australian Social Trends 2004*, cat. no. 4102.0, Canberra.
- Bandaranaike S D 2004a, *Hear The People's Voice*, Report to the Burdekin Shire Council. James Cook University. Townsville.
- Bandaranaike S D 2004b, 'A Taste of Bitter Sweet Sugar', *Proceedings of the 12th Biennial National Conference of The Australian Population Association*, Canberra, September.
- Bandaranaike S D 2005, *Community Perceptions and the Future of Cane*, Report to participating communities, School of Tropical Environment Studies and Geography, James Cook University, Townsville.
- Barker A 2005, 'Capacity building for sustainability: towards community development in coastal Scotland', *Journal of Environmental Management*, no. 75.
- Boston Consulting Group (Boston Report) 2003, *BCG report to canegrowers, review of constraints on industry competitiveness and innovation*, Brisbane.
- Bullen P & Onyx J 1999, *Social Capital: Family Support Services and Neighbourhood and Community Centres in NSW*, Sydney Support Services Association of NSW, Sydney.

- Buttel F H 1997, 'Some Observations on Agro-Food Change and the Future of Agricultural Sustainability Movements', in eds D Goodman & M J Watts, *Globalizing Food: Agrarian Questions and Global Restructuring*, Routledge, London, pp. 344-65.
- Carle A C & Chassin L 2004. 'Resilience in a community sample of children alcoholics: Its prevalence and relation to internalizing symptomatology and positive affect', *J of Applied Developmental Psychology*, vol. 25, no. 5, October, pp. 577-95.
- Carley K 1991, 'A theory of group stability', *American Sociological Review*, vol. 56, pp. 331-54.
- Centre for International Economics (CIE) 2002, *Cleaning up the Act: The impacts of change to the Sugar Industry Act 1999*, Canberra.
- Chenoweth L & Stehlik D 2001, 'Building Resilient Communities: Social Work Practice and Rural Queensland', *Australia Social Work*, vol. 54, no. 2, pp. 47-54.
- Chenoweth L & Stehlik D 2003, 'Implications of social capital for the inclusion of people with disabilities and families in community life', *International Journal of Inclusive Education*, vol. 8, no. 1, pp. 59-72.
- Cox D 2005, 'Industry Challenges for Policy and Resource Management', *ABARE Outlook Conference*, Canberra, 2 March.
- Diamond J 2005, 'Sowing a Disaster', *The Weekend Australian*, 26-27 February, p. 31.
- Engaging Queenslanders: Community Engagement in the public sector* 2003b, Queensland Department of the Premier and Cabinet, Queensland Government, Brisbane.
- Engaging Queenslanders: Community Engagement in the business of government* 2003b, Queensland Department of the Premier and Cabinet, Queensland Government, Brisbane.
- Engaging Queenslanders: An introduction to community engagement* 2004, The Queensland Department of Communities. Queensland Government. Brisbane.
- Gray I & Lawrence G 2001, *A Future for Regional Australia: Escaping Global Misfortune*, Cambridge University Press, Cambridge.
- Glasser B G & Strauss A L 1967, *The discovery of grounded theory: Strategies for qualitative research*, Aldine, Chicago.
- Grenier R, Stoeckl N, Stokes C, Herr A & Bachmaier L 2003, *Natural Resource Management in the Burdekin Dry Tropics: Social and Economic Issues*, CSIRO, Townsville.
- Haslam McKenzie F 2003, 'The challenge of achieving community self-determinism and capacity building in neo-liberal political environment', *Australian Journal of Primary Health*, vol. 9, no. 1, pp. 39-49.
- Healy K, Ayres L & Hampshire A 2003, 'Social capital and quality of life in geographically diverse communities affected by rapid social and economic change', *8th Australian Institute of Family Studies Conference*, Melbourne, February.

- Hildebrand C 2002, *Independent Assessment of the Sugar Industry 2002*, report to the Hon Warren Truss MP, Minister for Agriculture, Fisheries and Forestry, Canberra.
- Kilpatrick S 2003, *The role of VET in building social capital for rural community development in Australia*, viewed 26 February 2005, <<http://www.crlra.utas.edu.au/files/discussopn/2003/D4-2003.pdf>>.
- Kingma O & Falk I 2001, 'Cooperation and tolerance: restoring our economic system', viewed 26 February 2005, <<http://www.crlra.utas.edu.au/files/discussopn/2001/D9-2001.pdf>>.
- Krackhardt D 2001, 'Network Conditions of Organisational Change', *Symposium on social networks and planned organizational change*, Washington DC.
- LeHeron L & Roche R M 1997, 'Sustainability and Institution Building: Issues and Prospects Seen from New Zealand', in eds D Goodman and M J Watts, *Globalizing Food: Agrarian Questions and Global Restructuring*, Routledge, London, pp. 366-74.
- Lodder S 2003, 'Working with Indigenous communities', *Stronger Families Learning Exchange Bulletin*, no. 4, Spring-Summer, pp.17-23.
- McGinty S 2002, 'Community Capacity Building', *Australian Association for Research in Education Conference*, Brisbane.
- McKinnon M 2005, 'Dairy farm grants used as income', *The Australian*, 14 February, p. 7.
- Mooney P H 2004, 'Democratizing Rural Economy: Institutional Friction, Sustainable Struggle and the Cooperative Movement', *Rural Sociology*, vol. 69, no. 1, pp. 76-98.
- Office of Economics and Statistical Research (OESR) 2005, *Projected Resident Populations by Local government Areas*, OESR, Brisbane.
- Onyx T & Bullen P 2000, 'Measuring Social Capital in Five Communities', *The Journal of Applied Behavioural Science*, vol. 36, no.1, pp. 23-42.
- Pinni B & McDonald P 2004, 'Gender, change and resistance: Men's response to women's networks in the Australian sugar industry', *Social Change in the 21st Century Conference*, QUT, Brisbane.
- Putnam R 1993, 'The prosperous community: Social Capital and public life', *The American Prospect*, vol. 13, no. 57, pp. 35-42.
- Putnam R 1995, 'Tuning in, tuning out: The strange disappearance of social capital in America', *Political Science and Politics*, pp. 664-83.
- Redclift M 1997, 'Sustainability and Theory: An "agenda" for Action', in eds D Goodman and M J Watts, *Globalizing Food: Agrarian Questions and Global Restructuring*, Routledge, London, pp. 333-43.
- Sugar the Way Forward* 2003, *A Statement of the Queensland Government's Position on Regulatory reform of the Sugar Industry*, Queensland Government, Brisbane.

Sugar Industry Reform Program (SIRP) 2004, Department of Agriculture, Fisheries and Forestry, Australian Government, Canberra.

Stone W & Hughes A 2001, 'Sustaining Communities: An empirical investigation of social capital in regional Australia', *SEGRA 2001 Fifth National Conference*, Townsville.

Stoneham G, Eigenraam M, Ridley A & Barr N 2003, 'The application of sustainability concepts to Australian Agriculture: an overview', *Australian Journal of Experimental Agriculture*, vol. 43, pp. 195-203.

Tenkasi R V & Chesmore M C 2003, 'Social Networks and Planned Organisational Change', *The Journal of Applied Behavioural Science*, vol. 39, no. 3, pp. 281-300.

Woolcock M & Narayan D 2000, 'Social capital: Implications for development theory and policy', *The World Bank Observer*, vol. 15, no. 2, pp. 225-49.

World Commission of Environment and Development 1997, *Our Common Future*, Oxford University Press, Oxford.