

Moderating Effect of Government Support on Sustainable Farm Performance among Independent Smallholders

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ABSTRACT

The issue of sustainability in agricultural practices is generally advocated as a way of improving the sustainability of farms, although the degree to which the government can reinforce their impact is not clear. This paper looks at the direct impacts of Sustainable Agricultural Practices (SAP) and Government Support (GS) on the sustainable performance of the farm and explores moderating effect of Government Support (GS) on performance in the economic, environmental and social aspects. Partial least squares structural equation modelling (PLS-SEM) was used to test the hypothesized relationships using survey data of 315 smallholder farmers. The results indicate that SAP has high and positive impacts on environmental and social performances, whereas its direct impact on economic performance is not important. Conversely, GS has an adverse impact on the performance of the economy and minimal direct impact on environmental and social outcomes. Moderation analysis shows that GS does not mediate the relationship between SAP and economic or environmental performance but substantially enhances the impact of SAP on social performance. The findings on the whole indicate that SAP is the major factor contributing to the development of farm sustainability, and government support is a selective and situation-specific factor. The research adds to the sustainability literature by highlighting conditional policy impacts and informing more specific support interventions of smallholder farmers.

JEL Codes:

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