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Introduction

Neo-liberalism in agricultural policy has exhibited a growing presence in the ‘new global economy’ (Coleman et al. 2004), pursuing an agenda that seeks to dismantle the welfare components of established ‘national’ policies and to reconstruct in their stead a new ‘post-Fordist’ accumulation dynamic and novel structures of governance simultaneously at regional and global levels. The World Trade Organisation (WTO) constitutes a key site for the re-regulation of international governance in favour of neo-liberalism, a process in which state interventionism to underwrite agricultural production and environmental and social protection is deemed increasingly inadmissible where market ‘distortion’ is implied. Nevertheless, implantation of neo-liberalism in agricultural policy exhibits considerable unevenness between states, being characterised by varying levels of accommodation and resistance. States appear to be seeking selective accumulation opportunities through liberalisation whilst simultaneously, and in varying degrees, striving to sustain some level of agricultural and socio-environmental ‘exceptionalism’ in policy, often manifested in new modes of agri-environmental governance.

This paper proposes specifically to address the issue of agri-environmental policy change in this post-Fordist conjuncture, since this appears symptomatic of key concerns surrounding the emergence of neo-liberal governance in national and international agricultural policy, its contradictory relationship to environmental and social sustainability, and the politics of accommodation (regulation) and resistance to this neo-liberal agenda. The aim, therefore, is to analyse agricultural-environmental governance change as expressive of the environmentally and socially contradictory character of neo-liberalism, of attempts to accommodate socio-environmental contradiction and critique within post-Fordist regulatory structures, and of more comprehensive opposition to neo-liberalism in the agro-food sector. Broadly, the aim is to comprehend the nature and causal bases of varying forms of agri-environmental governance by reference to three ‘developed’ capitalist polities – the European Union, the USA, and Australia – and, more specifically, how these forms influence, and are influenced by, the re-regulation of agricultural governance at the international level through the WTO.

In so doing, the paper articulates a regulation theoretical and neo-Gramscian interpretation of political economy in which a class and group interest based ontology of change is deployed, conceptualising as political process the moment of class/group agency. This perspective reconfigures as agency those ontological arenas recently

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occluded by assumptions of ‘structuralism’ and ‘structural force’ (see for example Whatmore 1994; Murdoch et al. 2003), so that neo-liberalism becomes reconstituted as a political project, variously proposed and opposed by discrete classes and class fractions (see van Apeldoorn 2002 and Potter and Tilzey 2005 for detailed discussion). Methodologically, this approach enables an “unpacking [of] capitalism, while developing a more sophisticated theorisation of political agency, which incorporates economy and culture, class and identity” (Wills 2002, p 97). Moreover, contestation and the balance of class interests at the level of the nation state are considered to remain key to the dynamics of post-Fordism and restructuring processes (see for example Fagan and Le Heron, Weiss 1998; Jessop 2002; Larner and Le Heron 2002; Schmidt 2002). This implies that neo-liberalism should be conceptualised, substantively, as comprising multiple projects (Larner and Le Heron 2002) instantiated in varying form in different state-society complexes (van der Pijl 1998) as the outcome of spatially specific constellations of state/class interests, alliances and compromises. By the same token, this contestation and balance of interests, instantiated in state policy, is seen to be the primary determinant of functions and processes devolved either downwards or displaced upwards towards local and international governance structures respectively (see Jessop 2002).

This paper is also concerned to incorporate nature, both materially and in its discursive mediations as environmentalisms, into an understanding of agro-food system dynamics within a specific conjuncture given by the tendential, but contested, rise of neo-liberalism. In so doing, this paper employs a political or social ecological perspective, seeing nature and society as internally related, rather than as discrete entities (see Castree 1995; Burkett 1999; Tilzey 2002). Whilst non-human nature is, in varying degrees, socially (re)constructed in material terms through human manipulation of ecosystems and the genetic material of ecosystem agents, such ‘hybrid’ agents nevertheless retain materiality and agency, thereby supplying affordances and imposing constraints on human actions on nature. Combining this approach with the socio-historical specificities of the class based ontology defined above, we can discern how accumulation dynamics implicate environmental changes and unsustainable outcomes. Nature, now re-conceptualised as ‘social’ nature, is necessarily integral to the study of change in agro-food systems both in terms of the way it is an inherent element of the production process and in terms of the way it is impacted upon sustainably or unsustainably by that production process. Nature is thus part of the materiality of uneven development in agriculture. And more reflexively, of course, the environmental contradictions contingent on accumulation processes implicate the differential integration of nature as the object of social modes of regulation – in this case as modes of agri-environmental governance – by states.

The paper is structured in the following way. Firstly, it explores the relationship between the emergence of post-Fordism, the rise of environmentalism, and selective pressure to sustain the socio-cultural fabric of rural areas as agriculture is ‘de-centred’ through the de-legitimation of economic ‘exceptionalism’ in policy. This sets the frame for a discussion of the WTO as an axial institution in the furtherance of neo-liberal international governance. Agri-environmental governance, often focused around the issue of agricultural multifunctionality, has emerged as an issue of considerable contestation in the WTO, representing as it does an attempt to legitimate varying levels of agricultural and environmental ‘exceptionalism’ in the face of a neo-liberal market model that systematically effaces agriculture’s multifunctions through a singular focus on the valorisation of human labour. The
paper then proceeds to explore the politico-economic and ecological bases for such differential invocation of ‘exceptionalism’, using Australia, Europe and the US to illustrate contestation in policy discourses and understandings of agri-environmental interactions. It examines how these competing policy stances are being played out in the current Doha Development Agenda (DDA) of WTO negotiations and provides brief commentary on the possible outcome of the DDA and its implications for the future of agri-environmental governance. The paper concludes with a call for exploration of agri-environmental governance models currently marginalised in the WTO, notably those, such as the food sovereignty movement, which hold out the potential for a ‘re-embedding’ of agriculture in society and nature.

Post-Fordism, neo-liberalism and the challenge to agricultural ‘exceptionalism’

Post-Fordism expresses an historical conjuncture in which social forces in all ‘developed’ capitalist states appear to be undergoing reconfiguration, involving continuing change in the balance of power between different social groups and classes to the detriment of those hegemonic within the policy communities of Fordism. Neo-liberalism is considered by many authors (Cox 1987; Gill 1990; Overbeek 1990; Overbeek and van der Pijl 1993; van der Pijl 1998) to express a political project, propounded by discrete fractions of capital, to restore class hegemony by, in its own rhetoric, ‘freeing the market from the shackles of the state’. This process, disembedding the market, reflects particularly the ambitions of finance capital but advocacy appears to be extending to incorporate the more transnationalised fractions of ‘productive’ capital. Polanyi observed that disembedding the market generates an ideological pre-disposition towards the advocacy of “laissez faire and free trade” in policy (1957, p.132). This he contrasted with embedded market proclivities of nation centred productive capital, embodying the principle of social protection and “aiming at the conservation of man and nature as well as productive organisation…, and using … instruments of intervention as its methods” (ibid., p. 132). In many senses the current era of post-Fordist restructuring reprises the contradictions and tensions which Polanyi’s concept of ‘double movement’ sought to articulate, with the ‘traditional’ lines of contestation between capital fractions and between capital and labour being in varying degrees re-enacted. The current conjuncture expresses a dimension much less in evidence in the Great Transformation, however, since it is one symptomatic of the crisis of modernism itself – the emergence of environmentalism as sustainability discourse. Sustainability discourse, whilst reprising and encompassing more traditional environmental themes relating to amenity, nature conservation and resource conservation, is novel in its focus on the dependency of humanity upon ecological functions and services (Tilzey 2002). It has, however, been appropriated as a powerful legitimating tool by the major and pre-existing protagonists of the ‘double movement’, in this way instantiated in various ‘weaker’ guises as environmental managerialism in neo-liberal and social democratic state policy alike. As a consequence ‘strong’ sustainability, as social ecology, is assigned a marginal status in policy, recognising as it does the politically unpalatable, but ineluctable, linkages between capital accumulation and unsustainability.

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2 Social ecology invokes a perspective in which nature and society are configured in terms of internal relations rather than discrete entities, thus abjuring the traditions of ecocentrism and anthropocentrism.
From this post-Fordist restructuring process there has yet to emerge a new stable accumulation model comparable to post-war Atlantic Fordism (see for example Jessop 2002), an arguably inevitable outcome given the heightened social and environmental contradictions that attend neo-liberalism. Rather than witnessing a new single ‘post-Fordist’ accumulation regime, the present era of economic upheaval is characterised by a plurality of ‘rival concepts of restructuring’ (Ruigrok and van Tulder 1995) in which neo-liberalism exhibits a highly uneven pattern of implantation, subject to varying levels of compromise and contestation. Thus, although neo-liberalism may be formalised as a unitary doctrine and its ascendancy attributed in part to advocacy or imposition by the global hegemon (the USA), substantively it is more helpful to conceptualise neo-liberalism as constituted by multiple projects instantiated in varying form in different state-society complexes as the outcome of territorially-bounded constellation of state/class interests, alliances and compromises. Whilst acknowledging the differential power of states in the ‘world system’, this model vitiates any simplistic notion of state-society complexes functioning as passive recipients of policies transmitted, on the conveyor belt model of internationalisation, from ‘core’ to ‘periphery’. As Hagan and Le Heron note, “Capital still \textit{requires} nation-states to secure economic, social and political conditions under which any accumulation can continue” (Hagan and Le Heron 1994 p 271). States thus remain the key sites for securing the regulatory and legitimacy functions surrounding the contradictory process of capital accumulation (Wood 2005; Tilzey and Potter 2006a). Hagan and Le Heron have usefully synthesised the relationship between ‘internationalisation’ and ‘national restructuring’ when they note that “within specific countries, interactions between capital, labour and state both shape and are shaped by the different ways in which capital is inserted into global accumulation. Restructuring since the mid-1970s … has resulted from these specific social relations inside nation-states. Although these interactions have been conditioned by the global system of accumulation, this itself has emerged from changing relationships between capital, labour and state since the mid-1960s” (Hagan and Le Heron 1994 p 272).

For the agro-food sector, the transition from Fordism has entailed a progressive challenge to the embedded market structures of ‘political productivism’ (Tilzey 2000; 2002) which have informed the character of state intervention in the sector since the Second World War. Under a Fordist mode of regulation, state assistance to the agriculture sector has fulfilled both economic accumulation and social legitimacy functions as part of a larger contract between capital and labour. These unitary economic and social objectives of the state assistance paradigm have been premised on strong assumptions concerning agricultural ‘exceptionalism’ arising from a Fordist consensus in relation to the economic vulnerability of farming, and small farmers particularly, to unfettered market forces (Keeler 1996; Coleman 1998; Potter and Lobley 2004). The fracturing of Fordism in the wider economy has been mirrored, however, by the progressive fragmentation of these unitary objectives within the agro-food sector and the legitimacy of the ‘agricultural welfare state’ (Sheingate 2000) has been subject to increasing challenge. While the lower and

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3 This pattern is well exemplified in the European Union where, since the mid-1980s, a struggle has ensued in relation to its socio-economic order, the welfare state, the post-war institutions of the labour market, industry (including agriculture) and its global competitiveness and sustainability (Bieler and Morton, 2001; van Apeldoorn, 2002). This struggle is structured around the interests of three major class fractions that would have been familiar to Polanyi – neo-liberalism, neo-mercantilism and social democracy – with the new dimension of environmentalism modulated and lending greater legitimacy to the particular precepts of each class fractional discourse.
middle strata of agricultural productive capital have retained an ‘embedded’ perspective on the market, the upper stratum of farmers and the agro-food processing, distribution and retailing sectors, by contrast, have undergone considerable capital concentration and a concomitant shift in interest preference towards the ‘disembedded’ market. These capital fractions find the nation-centred regulatory structures of Fordism increasingly restrictive and now seek to construct a minimalist ‘Lockean’ pattern of domestic and international governance⁴ (see Potter and Tilzey 2005), the latter centred on the disciplines and procedures of the WTO (see below). The processing and retailing sectors in particular find themselves under increasing competitive pressure to source suppliers globally on a least cost basis (Hart 1997; Josling 2000). This shift in interest preference towards a global and ‘disembedded’ market is corroding the coherence of the Fordist agricultural policy community, challenging corporatist models of policy governance and introducing new discourses into the agricultural policy debate which emphasise international competitiveness and improved overseas market access (McMichael 2000).

At the same time, structural change within agriculture has opened up a division of interest between the larger, more capitalised businesses able to respond to the demands of processors, distributors and retailers and those labour intensive family-run holdings, many of them still dependent on state assistance and the ability to secure other non-agricultural sources of income in order to be able to continue farming. Within the relative policy security offered by Fordist productivism, the upper stratum of farmers has been both willing and able to allow the progressive ‘formal’ subsumption of their enterprises within corporate agro-food networks, both as buyers of inputs and suppliers of unprocessed products for food manufacturing. This formalisation of upstream and downstream relations has both enhanced the position of corporate agro-food capital and led to interest differentiation between the larger, restructured farms and those marginalised in this process (Cafruny 1989; Ingersent and Rayner 2000; Hennis 2002). The unitary objectives of the agro-food sector under national Fordism have therefore undergone progressive attenuation, with the ‘non-productive’ fractions of capital tending increasingly to favour a liberal trade and investment regime. Under these circumstances, neo-liberalism presents an increasing challenge to the economic ‘exceptionalist’ status of agriculture under Fordism, a critique reinforced by growing evidence for the environmentally malign impacts of productivism.

The new modes of agri-environmental governance have their genesis in this conjuncture, characterised by the threatened ‘de-centring’ of agriculture particularly in those spaces where global competitiveness is difficult to sustain on the basis of productivist scale economies. Concomitantly there is a new emphasis on revenue generation for less competitive producers through diversification and pluriactivity,

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⁴ This ‘economic constitutionalism’ is associated with key processes of ‘denationalisation’ and ‘destatisation’ (Jessop 2002). ‘Denationalisation’ entails the re-scaling of selective state functions upwards to international bodies, or downwards to the regional and local, and is manifested, for example, in the increased influence of the WTO in formulating the substance and direction of agricultural policy. ‘Destatisation’ entails the increased incorporation of the private sector and civil society into management and regulation of economic, social and environmental issues, including the creation of independent regulatory agencies to police the new economic constitutionalism. Destatisation is embodied in the progressive de-legitimation of agricultural ‘exceptionalism’ as states shift from positive coordination (state management of the market through price support, intervention, export subsidies, tariff walls, etc) to negative coordination (broadly, assuring an appropriate environment for competitiveness and entrepreneurialism).
capitalising on agriculture’s ancillary multifunctions such as biodiversity, landscape and cultural tradition where relations of jointness are retained. These ‘post-productivist’ spaces therefore express both the selective decline of productivist agriculture under conditions of globalising competition and responses to the environmental (and social) contradictions of productivism. However, state level responses to post-productivism, as agri-environmental governance, exhibit variability in the degree to which there is willingness to intervene in the market to secure sustainability objectives. This variability appears to co-vary according to the depth of neo-liberal policy implantation in the economy. High levels of neo-liberal retrenchment in the economy, as in Australia, tend to generate low levels of market intervention in agri-environmental governance norms. More qualified acceptance of neo-liberalism, as in the EU and US, tends to coincide with more interventionist proclivities in the governance of post-productivism. These states are still willing and able to uphold traditions of welfarism – here the social and the environmental are, in varying degrees, coupled to constitute a new form of ‘exceptionalism’ in agri-rural policy.

In those spaces characterised by the realisation of global ‘comparative advantages’, by contrast, market productivism becomes the dominant productive form, increasingly divested of its multifunctions through a singular focus on labour valorisation through processes of ‘appropriationism’ and ‘substitutionism’ (Goodman et al. 1989). To the extent that agri-environmental issues are addressed in such circumstances, they assume a purely environmental dimension, divested of their social support functions and retaining at best only attenuated relations of jointness with agricultural production. In their totality, therefore, post-Fordist spaces tend to juxtapose a dominant market productivism and a subordinate post-productivism (Tilzey and Potter 2006a).

The WTO and agri-environmental governance

The WTO constitutes a structure of governance that crystallises some of the key trends in the emergence of a post-Fordist regime of accumulation in agriculture and the ‘denationalisation’ strategy of neo-liberal class fractions. ‘Denationalisation’ entails the selective rescaling of regulatory functions to supra or sub-national levels (Jessop 2002) in a way designed to bypass institutional resistance at the level of the state (see Tilzey and Potter 2006a). Thus, despite the continuing presence of the strong nation-centred and mercantilist concerns that characterised the Uruguay Round (or the investment-constrained fraction of national capital (see Bryan 1987)). Commodity circuits are increasingly integrated and managed by private capital transnationally rather than by states, progressively removing the logic underlying mercantilist export drives (see for example Vorley 2003; Coleman, Grant and Josling 2004). Thus, contra Peine and McMichael (2004), the logic imputed to EU and US direct payments in underwriting the competitiveness of domestically produced commodities no longer appears as compelling as before under new circumstances in which alternative supplies can be sourced globally.

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5 This does not mean, however, that transnational capitalist interests are ‘stateless’. TNCs remain headquartered in, and retain allegiance to, certain states and in turn rely upon advocacy by those states on their behalf (for example in the WTO) to further their interests.
Furthermore, the political influence of remaining regionally-embedded agro-exporters in the North has been progressively countered within the WTO since Seattle by the new-found influence of their Southern competitors in the G20. Over the longer term at least, the scene thus appears set for the further erosion of neo-mercantilism, and the deeper entrenchment of neo-liberal reforms.

This process of market-liberal retrenchment is indeed normatively implied in the very structure of WTO disciplines (WTO 2000), tolerating rather than welcoming as they do ‘exceptionalism’ in agricultural policy. This is so because WTO disciplines define normatively the way in which commodities should be produced and, concomitantly, the way in which intervention to address any negative or positive environmental and social externalities should be configured in policy (Potter and Tilzey 2002). WTO disciplines embody a neo-classical view in which ‘efficiency’ (defined as the efficiency of human labour not as ecological/energetic efficiency) constitutes the sole arbiter of economic viability in agricultural production (Tilzey 2000a). This arises since human labour in capitalism constitutes the sole source of surplus value, the means by which capital accumulation proceeds (see for example Burkett 1999). This singular focus upon human labour valorisation implicates the exclusion of environmental and social considerations from the capitalist metric of efficiency, defining the inherently oppositional relation between economic accumulation and sustainability (Tilzey 2002). The WTO instantiates this metric, its ‘traffic light’ categorisation of allowable interventions being designed to pursue a programme of reform whose desired endpoint is the maximal elimination of market frictions (trade-distorting interventions) that might inhibit the globally competitive valorisation of human labour (Peine and McMichael 2004). In a globalising world, international trade, through the circuit of realisation (see Palloix 1977), is an essential precondition of labour valorisation, thereby explaining the WTO’s singular preoccupation with the minimisation of ‘trade-distortion’. The hegemony of labour valorisation within the structure of WTO disciplines similarly defines the normative and tendential restriction of legitimate interventions to a category (the ‘green box’) defined as ‘non-, or at most minimally, trade distorting’ (Potter and Tilzey 2002).

The normative and Lockean endpoint of WTO reform embodies the transnational or radical neo-liberal ideal of capital accumulation and, by implication, defines the place and form of agri-environmental governance within it (Potter and Tilzey 2005). While the normative categorisation of WTO disciplines embodies a transnational and radical neo-liberal class perspective (Coleman et al. 2004), it has thus far of course made allowance for competing and more interventionist models of capitalism. The clear implication of this categorisation and the process of continuing reform, however, is that only an essentially evolutionary accommodation should be entailed, pending the longer-term elimination or minimisation of trade-distorting interventions (Tangermann 2003). WTO disciplines thus define a favoured mode of capital accumulation and, by implication, the means of intervention, exceptionalism and hence agri-environmental governance along a spectrum of decreasing legitimacy from transnational/radical neo-liberalism to ‘strong’ multifunctionality discourses 6.

6 It appears possible to discern some five discrete and ideal typical forms of agri-environmental governance discourse, extending along a spectrum from ‘very weak’ to ‘strong’. The first, as suggested earlier, may be characterised as a very weak radical neo-liberal (‘New World’) discourse, a position articulated most prominently in the context of the current WTO negotiations by the Cairns Group, the US Administration, and the G20 group of agro-exporting developing countries. This discourse
With the exception of strong multifunctionality, these discourses of agri-environmental governance all receive varying degrees of evolutionary accommodation within the WTO (IISD 2002), as states seek to maximise accumulation opportunities whilst minimising the adverse impacts of globalisation.

As each discourse on agri-environmental governance reflects the favoured means of accumulation and intervention on the part of its class protagonists, so each has a discrete view on how WTO disciplines should be defined and deployed. Of the three ‘pillars’ through which WTO disciplines are exercised – export subsidies, market access, and domestic support – domestic support is of greatest immediate relevance to agri-environmental governance, with each discourse possessing a discrete stance regarding the definition and deployment of its ‘traffic light’ system of subvention categorisation. With the exception of strong multifunctionality, these constitutest a denial of agricultural ‘exceptionalism’, claiming that while multifunctions may be characteristic of agriculture they do not differ qualitatively from those of other sectors

The second discursive form may be characterised as ‘embedded’ neo-liberal (‘Old World’) discourse, a position embodied in EC Commissioner Fischler’s integrated rural development paradigm, in the European Landowners’ Organisation’s advocacy of ‘third generation’ agriculture (ELO, 2004), and in the OECD’s *Multifunctionality: Towards an Analytical Framework* (2001). This position is also articulated in *Multifunctional Agriculture: A New Paradigm for European Agriculture and Rural Development* (van Huylenbroeck and Durand, 2003). Neo-mercantilist discourse, by contrast, is premised on a political productivist conceptualisation of agriculture, regarding the function of the state as being to safeguard and underwrite productive capacity, the domestic market and export potential (Potter and Tilzey, 2005).

A further form of may be described as social democratic or social income support discourse. This emphasises the provision of social income support to farmers under circumstances in which farms lack competitive capacity in international markets (due to small farm size and/or topographical constraints) but retain considerable political influence within the state.

Finally, we may identify a ‘strong’ discourse of agri-environmental governance. Contra neo-mercantilism, Via Campesina internationally argues for a multifunctional concept of agriculture which confronts “the global regulation of commodities per se irrespective of local character” (Saurin, 1999: p. 226). In other words, multifunctionality constitutes a path to radical reform in all rather than in particular situations because it challenges the capitalist mode of production as the perpetrator of unsustainability globally. Strong multifunctionality’s counter-hegemonic status implicates its exclusion from state policy (despite representing immanently or actually the interests of the majority of food producers globally). This is symptomatic of its oppositional posture in relation to all capitalist modes of accumulation, whether neo-liberal, neo-mercantilist, or social democratic. It also distinguishes strong multifunctionality from the other discourses delineated above, these possessing either hegemonic or sub-hegemonic status in relation to dominant modes of accumulation.

Firstly, and least interventionist, is the transnational or radical neo-liberal discourse. This envisages a complete separation of green box support from agricultural production. Environmental and social welfare issues are conceptualised as ‘non trade concerns’ (NTCs), deliverable by non-agricultural means, with subvention strictly delimited to defined environmental and social outcomes. The approach embodies a thoroughgoing dichotomy between the ‘natural’ and the ‘social’ (‘wilderness’ versus market productivism) in which the principal pre-occupation lies with the negative externalities (the ‘impact model’) generated by productivist agriculture (see Ward 2004)

Secondly, ‘embedded’ neo-liberalism recognises the principle of jointness in production and recognises, therefore, that certain forms of agriculture generate positive externalities. It considers, however, that agriculture is only contingent, rather than necessarily, required for the delivery of these beneficial environmental outcomes.

Thirdly, the social democrat or income support view of agri-environmental governance places emphasis on the need for income support in addition to remuneration for positive environmental services/income foregone as a social security safety net in the face of downward pressure on farm commodity prices. A generous green box is envisaged, resulting from the modulation of former commodity related supports into direct payments.

Fourthly, the neo-mercantilist position invokes state intervention to secure the continued supply of mass markets through family farm dominated productivism (political productivism). This discourse
discourses – ranging from radical neo-liberalism to neo-mercantilism – are in varying degrees embodied in negotiating stances of WTO member states, with increasing interventionist proclivities correlating with politically influential but vulnerable constituencies and state capacity to implement ‘exceptionalism’ in policy.

Thus, the EU negotiating stance appears to comprise elements of ‘embedded’ neo-liberalism (the dominant element) together with decreasingly influential elements of neo-mercantilism, and social democracy/social income support (Potter and Tilzey 2005; Tilzey and Potter 2006a). As such, the EU posture appears to reflect relatively accurately the domestic balance of class and class fractional interests. The US negotiating stance appears less interventionist, conforming to a hegemonic radical neo-liberalism but containing elements of subaltern neo-mercantilism and social democracy. Nevertheless, there appears to be something of a disjuncture between this posture and the real balance of domestic interest group power (Moyer 2004). Domestic trends in the US since 1996 indicate that neo-liberal advocacy is heavily qualified by neo-mercantilist and social democrat discourses under circumstances in which US agro-exports and import sensitive commodities appear under increased threat from overseas competition. The US therefore articulates a radical neo-liberalism of an ambivalent kind, reflecting the generosity of its domestic green box and the new-found need to accommodate its quasi-decoupled commodity compensation payments within the blue box (Ayer and Swinbank 2002; Petit 2002). Nevertheless, the bulk of US environmental green box payments are disbursed in relation to non-working land conservation (Zinn 1999), perpetuating a dichotomy between nature and social production that largely occludes the principle of jointness. The Australian negotiating position, for its part, likewise embodies radical neo-liberal discourse but, unlike the US stance, appears accurately to reflect a domestic situation in which market liberalism has attained almost unchallenged hegemony (Pritchard 2000; 2005a; 2005b). Australia articulates a radical neo-liberal discourse on agri-environmental governance in which all forms of agricultural ‘exceptionalism’ are considered invalid. Any state subvention to address socio-environmental concerns should be unrelated to agricultural production. Conservation entitlements are considered indirect subsidies, and any on-farm activity to address environmental issues should be entirely voluntary (Tilzey 2005).

Causality in new modes of agri-environmental governance

It is evident that the level of agri-environmental ‘exceptionalism’ invoked, and embodied, in state-level policy continues to vary significantly between states, despite the tendential hegemony of neo-liberalism. This unevenness in the incursion of neo-liberalism into agri-environmental governance appears both to influence, and to be influenced by, the course of WTO negotiations. How is this continuing differentiation in state-level policy to be explained? There would seem to be a number of key determinants at play here. Firstly, it would seem to reflect the hegemony, or the balance, of class interests at the level of the state, together with the relationship advocates the retention of blue box and ‘coupled’ green box payments, together with continuing elements of amber box support, all seen as essential to the maintenance of farm income derived primarily from the sale of commodities.

Finally, the discourse of strong multifunctionality refuses to recognise the legitimacy of the WTO and its regulatory structures, conceptualising these as the embodiment of corporate power, implicating the erosion of small farmer and peasant livelihoods. This is an essentially counter-hegemonic, anti-capitalist discourse articulated by organisations such as the Coordination Paysanne Europeenne (CPE), a member of the international small farmers’ and peasants’ movement Via Campesina.
between the agriculture sector and the remainder of the economy. Secondly, it reflects the politico-economic status of the state within the ‘world system’, particularly in terms of the state’s ability or willingness to intervene financially, or in a regulatory fashion, to underwrite ‘exceptionalism’ in policy. Thirdly, it reflects particular agro-ecological contexts and the way in which these are mediated through environmental discourses. Thus, agriculture may possess co-evolutionary relationships with nature, in which multifunctions such as biodiversity and landscape are generated as joint products along with food and fibre. Alternatively, this co-evolutionary relationship may be largely absent, incipient, or even unrecognised, as in much of the ‘New World’ (including Australasia). It may also be negative, actively corroding multifunctional attributes (soil, water, biodiversity landscape, and socio-cultural structure) as in the case of productivist agriculture, whether in ‘Old’ or ‘New World’ settings. What is the nature and relative significance of these determinants in relation to the three polities of concern to this paper?

Australia, for its part, occupies a semi-peripheral status in the global economy (Lawrence and Vanclay 1994) by contrast to the ‘core’ status of both the EU and the US. Characteristic features of such an economy include: exports comprising primary products generated by technologies and capital/labour ratios typical of ‘core’ economies; industrialisation limited to first stage processing, import substitution with tariff barriers being a local means of stimulating domestic industrial growth; the dominance of the economy, particularly manufacturing and mineral production, by foreign TNCs (see Lawrence 1989; 1990). Truncated industrialisation is a feature of such semi-peripheral states, together with a concomitant reliance on agricultural and mineral exports to support domestic economic growth. Australia may be described simultaneously as both a developed as well as a dependent economy. In times of crisis this ambiguous status within the world capitalist economy generates specific problems for Australia as a result of its heavy dependence on export agriculture and branch transnationals in manufacturing industry, on the one hand, and its characteristic wage structure more typical of core economies, on the other (Gray and Lawrence 2001). In times of declining overseas revenue, considerable pressure is placed on the state to restructure the conditions of surplus generation throughout industry, including the subsidisation of infrastructural expenditure and the facilitation of wage reductions as a means of appeasing TNCs. States such as Australia live in particular fear that the corporate sector may threaten or effect the withholding of investment or, worse, the transferral of investments and activities to lower cost regions. The implication is that the Australian state, in contrast to the US and the EU, is less able or willing to invoke or implement ‘exceptionalist’ arguments/policies in relation to agriculture (and particularly in relation to their social/environmental legitimacy functions) and lacks the politico-economic power to engage in neo-mercantilist activities to secure overseas markets for its commodities.

Thus, despite a brief post-war interlude during which Fordist policies were relatively dominant, Australia since the 1970s has undergone a process of progressive and thoroughgoing market-liberal retrenchment and a concomitant invocation of radical neo-liberalism in agricultural policy (Pritchard and McManus 2000; Gray and Lawrence 2001; Pritchard 2005a; 2005b). This may be attributed firstly, then, to Australia’s semi-peripheral (politically/economically weak) status and its susceptibility to pressure from TNCs (and their home states) to accommodate itself to their favoured accumulation strategies. Relatedly, Australia has a long tradition of agro-export dependency in which any constraints on the production of competitively
priced bulk commodities are viewed with great antipathy. Australian farmers have become progressively more integrated into transnational circuits of agro-food capital, and their interests subsumed within those of TNCs, as they have entered into closer contractual relations with input suppliers, distributors, processors and retailers (Gray and Lawrence 2001).

Secondly, Australia’s invocation of radical neo-liberal discourse appears to derive from the way in which its class and class fractional interests are configured. Of particular relevance appears to be the relative lack of a small or medium farmer constituency differentiated politically and ideologically from large farm or agribusiness interests (Botterill 2004). Such lack of differentiation, in contrast to both the US and particularly the EU, has implied the absence of strong political pressure for the retention of interventionist policies associated with social democrat discourses, or for the adoption of neo-mercantilism in attempted resolution of overproduction crises. Class differentiation appears to be subsumed beneath a unifying discourse of independence, individualism, family and rurality. Despite accelerating processes of farm restructuring since the introduction of neo-liberal policies in the 1970s and 80s (Gray and Lawrence 2001), socio-economic problems are attributed primarily to over-regulation instigated by urban-based (primarily Labor Party) politicians or to overseas protectionism. In this way, and despite the recent rise of political independents, the now residual smaller farm constituency continues to identify primarily with neo-liberal discourse and with the larger, export-oriented farm constituency. Symptomatically, Australian agricultural interest groups are dominated by one farmers’ organisation – the National Farmers’ Federation (NFF). This organisation is dominated by broadacre, export-oriented farmers representing the top 20% of farms and seems to have been a major force behind the adoption of neo-liberal policies since the 1970s (Pritchard 2000; Botterill 2004). This subsumption of class difference is situated, then, in a context in which the state is unwilling or unable to implement social income support or neo-mercantilist policies and in which socio-economic crises are attributed primarily to output constraints flowing from overseas protectionism.

In a political ecological sense Australia has traditionally exhibited greater similarity to the US than to Europe to the extent that, at least in the past, biodiversity and landscape values have been construed to exist primarily outside the farm system. Agriculture has been commonly perceived to be the antithesis of, rather than prerequisite for, the conservation of key biotopes and landscapes (Williams 2004). Thus, until the 1990s, an almost complete dichotomy existed between ‘conservation’, equated with ‘wilderness’ and confined to National Parks and other statutorily designated areas, and the pursuit of productivism in agriculture (Figgis 2003; Archer and Beale 2004; Williams 2004). The latter has led not only to severe loss or reduction in biodiversity (largely through bush clearance), but also to the erosion of the functional capacity of the land to support productivist agriculture (primarily through soil erosion and increased dryland salinity as a result of wholesale bush clearance).

The severity of both biodiversity loss and the functional crisis of agriculture had, by the 1990s, stimulated a re-focus on the need to address ‘off-reserve’ biodiversity and natural resource conservation (Figgis 2003; Williams 2004). The introduction of Landcare in 1989 constituted the primary Federal government response to this crisis, a scheme designed to assist farmers in mitigating problems of biodiversity loss and resource degradation. The way in which Landcare has been configured as a policy measure, however, is very much symptomatic of radical neo-
liberal discourse and emblematic of agri-environmental governance in Australia (Dibden and Cocklin 2005; Tilzey 2005). It constitutes an entirely voluntary framework for action, legitimated through forms of ‘bounded’ democratisation and participatory rhetoric and deployed at localised, economically de-regulated rural sites on the assumption that environmental issues can be addressed effectively through development of the entrepreneurial activity of subjects (Martin and Ritchie 1999). In this way Landcare, together with the current Natural Heritage Trust, embody a number of the key premises underpinning agri-environmental governance in Australia. These premises hold, first, that the contradictions of export-oriented, market productivist agriculture are outweighed by the benefits – environmental and social disbenefits are therefore necessary evils because market productivism delivers net ‘welfare’ gains to Australia. Second, that due to these putative gains, fiscal rectitude and the sanctity of free enterprise, policy to address contradictions should not impact centrally on the commercial ‘efficiency’ of the farm, nor should it in any way be seen to be subsiding production. Third, that the costs entailed in implementing sustainable resource use and any other aspects of management which contribute to the long-term viability of the farm should be borne by landholders themselves, not by the public purse. Fourth, that public policy should be directed to changing attitudes and management styles (not economic imperatives), to primarily field edge and palliative actions, and to supporting community or group initiatives rather than individual enterprises. And fifth, that public subvention should be confined to paying for ‘public good’ type environmental services and should conform, therefore, to fully decoupled green box payments (see Dibden and Cocklin 2005; Tilzey 2005; Tilzey and Potter 2006b).

Agri-environment governance in Australia thus largely ignores the imperatives of accumulation and farm survival within a neo-liberal policy climate that constitute the primary drivers of environmental (and social) unsustainability in rural Australia (Lockie and Bourke 2001). Indeed, it largely conforms to the radical neo-liberal ‘norm-complex’ (Bernstein 2002). Thus, despite its relative popularity amongst farmers, Landcare has proven largely ineffectual in addressing Australia’s rural environmental crisis, primarily because its neo-liberal configuration denies the need, or capacity, to confront the structural bases of that crisis (Drummond et al. 2000; Cocklin 2005; Tilzey 2005; Tilzey and Potter 2006b). Political calls for interventionist policies to address this crisis are as yet incipient and potential solutions are, predominantly, still seen to lie in purely market-based mechanisms, both conventional and novel (for example, shift to organic production, place-based marketing, etc.). As the environmental and social contradictions of neo-liberalism continue to mount, however, and are felt differentially by the small and medium farmer constituencies, responses to the crisis may well entail, and will surely require, the formulation of policies and the formation of interest groups that are clearly differentiated from, and take issue with, the neo-liberalism of the NFF and others. Increasing recognition of the joint, rather than contingent, relationship between market productivist agricultural practices and unsustainability, and therefore of the need to support and incentivise on-farm sustainability if the agri-environmental crisis is to be addressed, have the capacity to challenge neo-liberal hegemony. In the absence of such concerted political pressure, however, and under strong countervailing pressure to maximise foreign exchange earnings, pursue fiscal ‘rectitude’, and minimise the risk of capital flight, the Australian state is, for the time being, unwilling (and unable?) to engage in the necessary measures and expenditure to secure sustainability. Australia, like the other Cairns Group members, thus comes to the WTO with the single-minded goal of
expanding overseas markets and reducing or eliminating the protectionist or neo-
mercantilist policies of the core capitalist states. Reflecting its own radical neo-liberal
mode of agri-environmental governance, Australia is predisposed to regard any
multifunctionality arguments underwriting ‘exceptionalism’ (whether economic,
environmental or social) as, at best, constraints on market access and, at worst, a
thinly disguised mercantilism underpinning EU and US export subsidies.

The US, meanwhile, is the hegemonic ‘core’ capitalist state and its
administrations must seek legitimacy primarily amongst domestic constituencies.
Additionally, the US was perhaps the epitome of the nationally ‘articulated’, Fordist
state to which family-farm based agricultural production for the home market was
central. Like Europe, but unlike Australia, the US thus has a strong tradition of
agricultural subvention on both economic and social ‘exceptionalist’ grounds. Under
Fordism agricultural policy attempted, without overwhelming contradiction, to sustain
the family farm, whilst simultaneously supplying mass urban markets. Over time,
however, productivism engendered considerable farm restructuring, leading to severe
erosion in the number of medium and smaller farms engaged primarily in agricultural
activity (Buttel 1989; 2003; Lobao and Meyer 2001). Under post-Fordism,
commercial viability is secured increasingly via agro-exports produced
overwhelmingly by very large, large and, decreasingly, the upper middle farm
constituencies, their productive activities increasingly integrated into transnational
agro-food commodity circuits (Buttel 2003). Nevertheless, productive activity is still
undertaken predominantly on family farms and, as a legacy of the strong corporatist
arrangements of the Fordist era, family farm interest groups retain considerable
political power within Congress (see for example Moyer 2004). US administrations
must, in varying degrees, continue therefore to seek political legitimation through
placation of these interest groups. Legitimation under post-Fordism is now sought
principally through agro-export drives, and the episodic subvention required to secure
US competitiveness is in turn legitimated, disingenuously, by references to the
vulnerability of the American family farm (Dixon and Hapke 2003). The primary aim
of the US in the international arena with respect to its agriculture sector is therefore to
expand foreign markets for its farm commodities, to facilitate corporate and non-
corporate accumulation and, thereby, to enhance political legitimacy with respect to
these interest groups. This strategy has the additional merit of reducing the budgetary
burden of support on the state. US administrations continue to seek, therefore (either
willingly or under duress), to reserve the right to subvene farmers by various means
(preferably those that are WTO compatible but unavailable to competitors) largely as
a result of the enduring power of class fractional lobby groups within Congress
(Moyer 2004). Discursive legitimation for such subvention is sought by recourse to
social and economic ‘exceptionalist’ arguments, their content nuanced according to
the fractional interests of the two major farm constituencies (Dixon and Hapke 2003),
the primarily large farm Republican (represented by the major commodity groups and
the American Farm Bureau) and middle farm Democrat (represented principally by
the National Farmers’ Union), respectively.

To the extent that US agriculture is construed within these two hegemonic
discourses (Republican neo-liberalism or market productivism and Democrat neo-
mercantilism/social income support or political productivism) to be at all
‘multifunctional’ (a term not yet deployed self-referentially by US interests), the
socio-economic dimension is likely to be invoked most strongly in the cause of
agricultural ‘exceptionalism’. The environment, for its part, has not hitherto been
construed as a principal means to justify public support for agriculture per se, both because farming is highly productivist (generating the actual or tendential externalisation of nature from production) and, relatedly, because key environmental elements such as biodiversity and landscape either exist, or are perceived to exist, essentially outside, and in opposition to, agricultural practice (see Bohmann et al. 1999). Thus, as the mass commodity production sector has continued the process of intensification and specialisation (and the occlusion of nature) (see Ritchie and Ristau 1986; Kenney et al. 1991; Buttel 1997), so, in tandem, have environmental programmes focused not on the integration of nature with production or the inherent contradictions of the productivist model, but rather on the retirement of lands from production. In this way, the bulk of expenditure on environmental programmes in agriculture, since their inception under the 1985 Farm Bill, has been directed to farmland retirement under the Conservation Reserve Program (Zinn 1999). In this way US policy appears to represent a hybrid of European and Australian circumstances, marrying the political economy of European interventionism to the political ecology of Australian ‘new worldism’.

Nevertheless, the introduction of the Conservation Security Program (CSP) under the 2002 Farm Bill may constitute a new departure for US policy, bringing it closer to a European political ecology in which jointness is key. The CSP would appear to be significant firstly because it is a programme that disburses funds for ‘on-farm’ or working lands practices designed to enhance environmental (and socio-economic) sustainability through production (Hoefner 2003). Secondly, the CSP is significant since its particular form as an agricultural land use payment reflects the emergence of new ‘post-productivist’ farmer constituencies, located primarily in the Northeast US, together with the new ‘reflexive’ consumption of sustainably produced food and ‘consumption countryside’, primarily by urban consumers (see Cowan 2002). In this way US policy appears to exhibit an incipient albeit highly asymmetrical duality with post-productivist payments for ‘multifunctional’ agriculture supporting the often pluriactive, marginal farmer in areas primarily outside the zones of mass (productivist) food commodity production. This ‘post-productivist’, pluriactive farmer constituency appears to be most accurately represented politically and discursively by the Sustainable Agriculture Coalition (Hoefner 2003).

Agricultural policy in the US is thus dominated by two hegemonic discourses - radical neo-liberalism and neo-mercantilism. For both, the environmental dimension of multifunctionality is one normatively to be pursued off-farm, placing minimal constraints on the pursuit of productivism. These discourses are supplemented by a third, subaltern discourse that may be termed social democrat discourse (with affinities with the food security discourse of Japan and Korea) and a fourth, emergent discourse of multifunctionality surrounding the appearance of the ‘post-productivist’ farm constituency (having affinities with the environmental end of the social democrat spectrum).

Thus, whilst the wider US economy has fallen under the increasing influence of neo-liberal fractions (represented politically chiefly by the Republican Party) since the 1980s in the transition to post-Fordism, fractions of agricultural productive capital have resisted, or at least qualified, these trends largely by successful manipulation of their tactical importance to the continuing hegemony of the ruling party (Orden 2002; Moyer 2004). In other words, advocacy of the interests of particular capital fractions as mediated by party representation will tend to be moderated by interests and claims of capital fractions whose interests might not coincide consistently with neo-
liberalism, but whose placation is necessary for continued majoritarian rule. Republicanism thus comprises an admixture of radical neo-liberalism and neo-mercantilism, the latter reflecting the structural aversion to any unqualified advocacy of market-liberal retrenchment. Legitimating continued subvention to Republican farm productive capital that receives a highly disproportionate share of government support is predicated principally on deployment of the narrative of the vulnerable family farm (Dixon and Hapke 2003). Thus, highly sectional interests are validated through identification with the (real) plight of a much broader spectrum of US family farmers.

The implication is that, despite its radical neo-liberal rhetoric in the WTO, substantively the US is obliged to pursue a strategy of qualified neo-liberalism in this arena. The cornerstone of US strategy in the WTO is enhanced market access in order to wean its agro-exporters away from market distorting support, both to safeguard its AMS ceiling and to conform to increased budgetary stringency at a time of economic downturn (Petit 2002; Orden 2003; Fynn 2003). It also wishes to facilitate the globalising strategies of US agro-food multinationals. The feasibility of so doing, however, depends not merely on the outcome of WTO negotiations, but perhaps even more importantly on the compliance of Congress. The US visited decoupled payments following the 1996 FAIR Act and found them wanting in the face of declining global agricultural commodity prices (Orden et al. 1999). Under political pressure from agricultural productive fractions, counter-cyclical payments were introduced under the 2002 Farm Bill to mitigate the impact of such price downturns. Such payments constitute a real problem for neo-liberal strategists, with the US hoping to deploy the *de minimis* rule in their defence (Ayer and Swinbank 2002). The recent WTO ‘framework’ agreement makes clear, however, that *de minimis* is to be subject to increasingly stringent disciplines and the redefined blue box within the same agreement constitutes a transparent attempt to accommodate these fiscally burdensome, but politically necessary, payments to US farmers. The US is similarly ambivalent concerning the commitment within the ‘framework’ agreement to “review and clarify green box measures to ensure that they have no, or at most minimal, trade-distorting effects or effects on production” (AgraEurope 2004). Whilst concurring in principle with this commitment, the US will be wary of potential implications for farm programmes such as the CSP that explicitly tie environmental and social income supports to on-farm production activities, albeit of a post-productivist kind. Likewise, the US will wish to resist Cairns Group moves to impose a financial cap on the green box, given the entitlement structure of many conservation programmes, their political significance, and indirect income support functions.

Agricultural and rural policy in the EU is increasingly defined by a hegemonic structure of ‘embedded’ neo-liberalism. Its architecture, however, incorporates strong stylistic elements of neo-mercantilism and social democratic income support. This is a policy posture broadly reflecting the ‘balance’ of interests which has emerged in a post-Fordist Europe since the 1980s (see Potter and Tilzey (2005) and Tilzey and Potter (2006a) for extended discussion of ‘embedded’ neo-liberalism). A form of neo-liberalism constitutes the dominant element in this policy posture and is most characteristic of member states such as Denmark, the Netherlands and the UK in which highly capitalised and restructured farm sectors are the norm, heavily integrated into global agro-food circuits of capital. Neo-mercantilism is associated with states in which the farm sector is less globally competitive overall but is nevertheless economically important and carries considerable political weight. France
is the prime exemplar of this position and has been traditionally most resistant to the neo-liberalisation of policy. Social democratic or social income support discourse, meanwhile, emphasises the provision of social income support to farmers under circumstances in which farms lack competitive capacity in international markets (due to small farm size and/or topographical constraints) but retain considerable political influence within the state. These farms, however, have little economic significance in terms of their contribution to national GDP or in the provision of food to the national population. Germany is a good example of this policy discourse. In attempted reconciliation of these competing discourses, ‘embedded’ neo-liberalism thus embodies the coincidence of strong pressures for market liberal restructuring with protectionist impulses flowing from the continued political influence of anti-free market middle/small farm constituencies and a geo-politically powerful polity with residual social democratic instincts. European agri-environmental governance is also conditioned by traditionally robust, although increasingly attenuated, relations of joint production between agriculture, biodiversity and landscape.

‘Embedded’ neo-liberalism apparently constitutes the preferred strategy of the Trade and Agriculture EC Directorates General (Rollo 2004), with reasons of evolutionary accommodation necessitating selective incorporation of neo-mercantilist and social protectionist discourses. Evolutionary accommodation has, since the early 1990s, seen neo-mercantilist and social democratic interests placated by means of comprehensive compensatory payments, the form of such disbursements, however, enabling a shift in the broader architecture of policy towards an ascendant market-liberal paradigm. This reform agenda reflects in no small measure the greatly increased influence of transnational, neo-liberal class interests in defining and promoting a more globally and market-oriented agricultural policy (van Apeldoorn 2002; Potter and Tilzey 2005; Tilzey and Potter 2006b). The overarching rationale underlying reform is embodied in the process of ‘denationalisation’ as the WTO increasingly imposes neo-liberal norms of legitimacy on the direction and content of policy. The Common Agricultural Policy is thus becoming progressively more market oriented, a trend manifest initially in price support reductions and direct payments under the MacSharry and Agenda 2000 reforms, and subsequently in further price reductions and the decoupling of direct support (the Single Farm Payment) under the 2003 Mid-Term Review (MTR). The cumulative character of these reforms has been designed to facilitate the progressive penetration of market relations into European agriculture. Nevertheless, the retention of compensatory SFP support – now falling within the green box – points to the political resilience of neo-mercantilist and social protectionist constituencies (Potter and Tilzey 2005). The EU will therefore wish for the time being to resist radical neo-liberal calls within the WTO for tighter disciplines on this category of domestic support.

Neo-liberal class interests are also defining the parameters within which agri-environmental policy is formulated and, increasingly, the very content of that policy (Potter and Tilzey 2005; Tilzey and Potter 2006b). These interests are subject to qualification, however, with policy taking the form of ‘embedded’ neo-liberalism, juxtaposing market productivism and post-productivism. Thus the progressive elimination of ‘market distorting’ support in CAP Pillar 1 is complemented by the creation of Pillar 2 – disbursing funds for agri-environment and rural development – with the intention to afford some measure of continuing support to farms most marginalised by restructuring, to provide countryside consumption spaces for the urban populace (whilst conserving a residual biodiversity and landscape resource),
and to supply the middle class ‘reflexive’ consumer. However, as, and if, reform proceeds along its current trajectory, agri-environmental governance appears set to assume an increasingly neo-liberal complexion. Pillar 2 budgets are likely to be increasingly regionalised in their administration but tightly disciplined and disbursed on a competitive and selective basis, thereby heavily constrained in their ability to counteract overarching processes of restructuring. Budgets for agri-environmental management are likely to be defined and defended increasingly according to neo-classical public goods criteria, entailing more restrictive forms of subvention in line with WTO green box disciplines and the requirement to minimise ‘trade distortion’. These measures are unlikely to compensate for falling incomes of small and medium farmers particularly as, despite the introduction of the SFP, producers confront a secular fall in commodity prices as liberalisation proceeds. Given the joint relationship between farming and nature, together with the increasingly restrictive, public goods character of Pillar 2 subvention, it is difficult to envisage how environmental quality at the landscape scale can be sustained as agriculture’s principal income source – the sale of commodities – continues to erode.

Stronger discourses of sustainability are clearly being marginalised in this process (see Potter and Tilzey 2005). The realisation of agrarian, non-productivist (see CPE 2001) and ‘whole countryside’ perspectives (see Tilzey 2000), for example, appears an ever more distant prospect. The realisation of whole countryside visions of this kind, predicated on integrated principles of environmental and resource sustainability, food security and social sustainability, would seem to require the kinds of policy intervention and support that are considered increasingly illegitimate under neo-liberal norms.

Conclusion: Neo-liberalism and the future of agri-environmental governance

The ‘framework’ text for the DDA finally agreed in August 2004 appears to represent the furthering of the process of market-liberal retrenchment, compatible at this stage with both radical and embedded neo-liberalisms, but representing the further marginalisation of state embodied discourses of neo-mercantilism and social democracy. Under pressure from the G20 group of agro-exporters, the Cairns Group, renewed US interest in the WTO and neo-liberal interest groups in Northern member countries, rearguard action by neo-mercantilist interests in Europe appears, at least in principle, to have been vanquished. The details and timeframes entailed in the elimination of export subsidies have yet to be agreed, of course, and the failure of the December 2005 Hong Kong Ministerial and subsequent meetings to progress the framework text is indicative of the political difficulties involved in translating this principle into reality. These difficulties derive chiefly from the continuing intransigence of Northern state neo-mercantilists and regionally-embedded agro-exporters in relation to proposed concessions on market access and domestic support, in combination with apparently asymmetrical demands from Northern global fractions in agro-food, service and finance sectors for further concessions by Southern states in relation to market access. Nevertheless, despite the retention of mechanisms in the areas of domestic support and market access which will assist the EU and the US in placating the less competitive fractions of productive capital and regionally embedded agro-exporters, the framework text itself appears significantly to represent, in principle, the further de-legitimation within the WTO of ‘exceptionalist’ policies which either support production or mitigate market exposure. In the words of the
Brazilian foreign minister “this is the beginning of the end of [agricultural] subsidies” (quoted in Agra Europe 2004).

Stated in broader theoretical terms, the agreement constitutes a strengthening of the neo-liberal principle that environmental and social ‘frictions’ should be excluded from productive activity, thereby reinforcing a dichotomy that juxtaposes an increasingly de-natured society (market productivism) with an increasingly de-socialised nature (wilderness). Under post-Fordism, we therefore confront a conjuncture which sees both productive activity and environmental management politically reconfigured in conformity to a Lockean ideal. Here production equates to ‘improved’ nature, while ‘unimproved’ nature subsists as a residual category conserved for contemplative enjoyment through the unsustainable affluence engendered by such ‘improvement’. Effaced in this dichotomous re-configuration are of course the functional indispensability of ecosystem services to productive activity and, derivatively, food production and security as predicated on this agro-ecological relationship.

Should the framework text for the DDA be agreed, signatories to the WTO will be increasingly constrained to pursue strategies either of capitulation or accommodation to neo-liberal orthodoxies with respect to agricultural production and agri-environmental governance. Latitude is likely to be extended, at least over the longer term, only to accommodate neo-liberalism of an ‘embedded’ kind. Certainly the EU will insist on the retention of its ‘embedded’ variant as the minimum necessary to conserve a residual biodiversity resource by means of ‘post-productivist’ farming activity. For Australia, radical neo-liberalism will continue to foster a stark dichotomy between market productivism and conservation areas despite the efforts of notionally integral approaches such as Landcare. The latter will continue to suffer marginalisation in the face of structural diseconomies generated by radical neo-liberalism. Ultimately, however, the ecological debt that continues to accrue rapidly, primarily through salinisation and soil erosion, will compromise the functional capacity of Australian agriculture to export, certainly at the currently ‘competitive’ prices that are the mirror of ecological cost externalisation (Archer and Beale 2004). The US, meanwhile, pursues a qualified variant of radical neo-liberalism, with generous green box subvention directed in the main to off-farm or non-working lands conservation. Agri-environmental governance appears set to be dominated into the foreseeable future by a radical neo-liberal discourse. Nevertheless, it remains to be seen whether an environmental social democrat or, at least an ‘embedded’ neo-liberal discourse, will in the future have greater purchase through programmes such as the CSP. Currently, however, the Republican administration appears determined to see the CSP wither on the vine (Hoefner 2004).

Overall, a WTO agreement along the lines of the Doha framework text will further institutionalise international agricultural governance in favour of global fractions of agro-food capital, comprising corporate distributors, processors and retailers and the upper echelons of farm productive capital, between which there will be enhanced collaboration and consolidation of supply chains. Vorley (2003), following Reimer and Davila Villers, refers to this as ‘Rural (World) I’. The disciplinary structures of the WTO, legitimated by neo-classical theory, are constructed in such a way as to facilitate this process. The model of market productivism which these trends embody structurally implicates the erosion of ecological and social capital, but simultaneously confines state environmental action to a model of palliative mitigation. Whilst also undermining food security, market
productivism simultaneously re-defines this as corporate dependency through the principle of globalised ‘least-cost’ supply (McMichael 2004). Meanwhile, ‘Rural (World) 2’ will increasingly exhibit characteristics of the ‘shrinking middle’. Comprising the middle farm constituency and advocates of social democrat or neo-mercantilist policies, these farmers will be obliged either to increase capitalisation, entering the ranks of Rural 1, or derive greater levels of income from diversified or off-farm activities as the terms of trade in the supply of farm commodities continues to decline. In short, full time commercial farming amongst the middle farm constituency will become an increasing rarity as market productivism takes greater hold. Finally, ‘Rural (World) 3’, comprising the small farm, peasant and economically marginal farm constituencies, will in the global North be increasingly reliant on pluriactivity and WTO compatible green box payments, supplying environmental services and ‘alternative’ commodities to the urban consumer.

State postures within the WTO embody, variously, discourses of capitulation, accommodation and resistance in relation to neo-liberalism. The current state of WTO negotiations, and the varying configurations of agri-environmental governance, are manifestations of continuing contestation and compromise between these discourses. By the same token, they are largely explicable in these terms, as this paper has sought to demonstrate. All such discourses, however, represent, variously, the institutional embodiment of ‘models of capitalism’ (Coates 2000) and, as such, carry with them the weight of economic, social and environmental contradictions inherent in these models. Normatively, therefore, we are led inevitably to ask whether alternative discourses are available that propose the ‘strong’ integration of the economic, social and environmental dimensions of sustainability (see Tilzey 2002). In this respect, we might note again that ‘strong’ multifunctionality pursues an oppositional discourse in seeking to address the contradictions of market productivism, while simultaneously exposing the contradictions of Fordist modes of intervention. It perceives the ecological, social and food security crises to be inherently related. Strong multifunctionality, in confronting the hegemony of market productivism, deploys the notion of food sovereignty to re-assert the co-evolutionary imperative.

Half a century ago Polanyi theorised the institution of the ‘self-regulating’ market as an attempt to commodify land, labour and money, and the protectionist movement as a counter-movement of regulation of each of these class driven trends. The counter-movement involved a cumulative politics of nation-state formation, whereby labour legislation, central banking and agrarian protectionism attempted to re-embed the market in society (McMichael 2004). The counter-movement remained firmly wedded to capitalism, however, albeit of the social democratic, Keynesian variant. As a consequence, the Keynesian, developmentalist state succeeded only in generating the social and ecological contradictions of political productivism. The social democrat and neo-mercantilist discourses constitute the ailing remnants of this Fordist era. In the current post-Fordist conjuncture, in which the environment, at least rhetorically, now holds parity with socio-economic concerns, there exists an unavoidable imperative to re-embed the market not only in society but in nature. The imperative derives inter alia from recognition that ecological ‘disembeddedness’ is feasible in energetic terms only through recourse to fossil fuel usage. Ultimately therefore, economic well-being must be defined and secured through means that simultaneously define and secure ecological well-being. In agriculture, such real integration, or embedding, of ecological, economic and social concerns would seem to be defined and secured by strong multifunctionality, a social ecology in practice.
Strong multifunctionality is founded in key respects on the ecological and social principles formulated in the agro-ecological approach (Altieri 1987). Ecologically, agro-ecology advocates an “approach to farming that attempts to provide sustainable yields through the use of ecologically sound management technologies. Strategies rely on ecological concepts, such that management results in optimum recycling of nutrients and organic matter, closed energy flows, balanced pest populations and enhanced multiple [multifunctional] use of landscape” (Altieri 1987 p xiv). Socially, agro-ecology elaborates a broader agenda “through forms of social action which redirect the course of co-evolution between nature and society in order to address the crisis of modernity. This is to be achieved by systemic strategies that control the development of the forces and relations of production that have caused this crisis. Central to such strategies is the local dimension where we encounter endogenous potential encoded in knowledge systems (local, peasant or indigenous) that demonstrate and promote both ecological and cultural diversity” (Sevilla Guzman and Woodgate 1999 p83).

In political and policy terms, strong multifunctionality and agro-ecology therefore implicate an alternative development model that is neither neo-liberal nor developmentalist/Fordist capitalism. For the global South, this model, through democratic and economic empowerment of the poor, seeks to realise the full range of human development criteria through sustainable utilisation of local and national resources. A key component of this model is agrarian land redistribution so as to ensure equitable and secure access to, and sustainable use of, essential resources by the poor (see Tilzey 2000b for extended discussion). Trade in this model is undertaken on the basis of a multilateral system of fair rules, where such exchange is not the result of neo-classical ‘comparative advantage’ but rather the outcome of naturally given differences in resource endowments between nations. But international trade is seen as a contingent, rather than an essential, part of this model – the model is founded on endogenous rather than exogenous development – and the concept of food sovereignty is central to this vision of strong multifunctionality (Via Campesina 2001)8.

Political difficulties notwithstanding, structurally this model will be achieved most readily in the global South, given the generally incomplete character of agrarian transitions towards agro/urban-industrial capitalism here. By the same token, the greatest degree of transformation in social and ecological relations will be required of the global North, the primary focus of this paper, where the agro/urban-industrial model is predicated on unsustainable levels of resource consumption and pollution and, under neo-liberalism, increasingly on parasitic transfers of resources and value from the South (Petras, J and Veltmayer, H 2001). In order to address these contradictory and exploitative relations, Via Campesina (Choplin 2003; Herman and

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8 The concept of ‘food sovereignty’ is central to this vision of strong multifunctionality and was first promulgated in 1996 at the World Food Summit (McMichael, 2004). Via Campesina defines food sovereignty in the following way: “In order to guarantee the independence and food sovereignty of all of the world’s peoples, it is essential that food be produced through diversified, farmer-based production systems. Food sovereignty is the right of peoples to define their own agriculture and food policies, to protect and regulate domestic agricultural production and trade in order to achieve sustainable development objectives, to determine the extent to which they want to be self-reliant, and to restrict the dumping of products in their markets. Food sovereignty does not negate trade, but rather, it promotes the formulation of trade policies and practices that serve the rights of peoples to safe, healthy and ecologically sustainable production” (Via Campesina, 2001).
Kuper 2003) has drawn on strong multifunctionality to develop a model for Northern agriculture which espouses a non-productivist agrarianism in which sustainable food production and food security become the key vocation for farming, with environmental and social benefits flowing *jointly* from this basic function. Entailing implementation of strong environmental regulatory baselines, the disbursement of public funds for non-market supported environmental benefits, the re-regulation of supply chains on principles of social equity and environmental sustainability, farm income would derive principally from the sale of farm products in a policy framework where agricultural prices were sustained through deployment of an environmental and social preferential tariff. In this model, where sustainable farming and food security hold equal status alongside biodiversity and landscape through a non-capitalistic reconfiguration of production and exchange relations, we can discern real prospects for the re-embedding of the market through the re-socialisation of nature and the re-naturalisation of production.
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