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# IMPLEMENTING AND MAINTAINING NEOLIBERAL AGRICULTURE IN AUSTRALIA.

## PART I

### CONSTRUCTING NEOLIBERALISM AS A VISION FOR AGRICULTURAL POLICY

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#### Introduction

Since the commencement of the Uruguay Round of the General Agreement on Tariffs and Trade (GATT) in 1986, Australia (along with New Zealand) has been the world's leading advocate for the liberalisation of agricultural trade. Via the Cairns Group of agricultural exporter countries, it successfully incorporated agriculture into the WTO system, and has argued consistently for the reduction of agricultural tariffs and subsidies in North America, the European Union (EU) and Japan. The economic ideologies and policies advanced by Australia envisage a future for world agriculture in which the market regulates production and trade, and the role of national governments is reduced to that of providing a supportive legislative framework for the private sector.

But how did the Australian Government become such an ardent convert to the liberalisation of agriculture, and how have these policy philosophies been sustained? Taking these questions as a cue, this article is the first instalment of a two-part analysis of the implementation and maintenance of neoliberal agricultural policies in Australia (its successor is Pritchard, forthcoming). The current article examines the construction of agricultural liberalisation as a policy vision. Its successor addresses the question of how this policy philosophy has been sustained. Taken together, their specific aims are to critically examine the interplay of policy development and legitimation that has accompanied the Australian Government's embrace of agricultural liberalisation, in order to uncover the connections and contexts that frame State actions in this policy field. This focus responds to Morgan's (2003:1) observation that the "crucial nexus of politics in its deepest sense—the 'art of the possible'—lies" in the bureaucracies of governance. In other words, these articles seek to expose and analyse the detail of the ideological and policy rationales that are used by proponents to validate the alleged 'inevitability', 'rationality' and 'superiority' of the Australian agricultural policy experience.

Situated in its broader context, the analysis provided by these articles asks whether Australia's pursuit of liberalisation on the domestic and international agricultural stage really provides a legitimate basis for the country's aspirations to remould global agriculture in its own image. There is a rich vein of thinking within the policy mainstream of Australia that suggests that the nation's 'brave' pursuit of agricultural liberalisation has established a universal set of policy prescriptions for global agriculture. To this end, the Australian case has relevance beyond its national significance. If world agriculture is progressing along a trajectory towards greater globalisation—in this sense referring to the construction of a single worldwide market for agri-food production and ownership—then developments in Australia would appear to offer guidance for debates on the future shape of world agriculture and food. As suggested in the introduction to a special issue of the journal *Rural Sociology* dedicated to Australia and New Zealand, "while there was much to be learned from intellectual developments in the US, the Australasian region also had a unique contribution to make" (Burch et al. 1999:180).

This article, then, tells the tale of how and why Australia has embraced agricultural liberalisation with such fervour. In the early twenty-first century, liberal market ideology is dominant and largely uncontested within key arenas of Australian agricultural policy formation. The halls of the bureaucracy and the corridors of the Parliament are each committed to the ideal of a freer global agricultural trading system, on the assumption that the emulation of vision domestically has been a proven success. To document how this has occurred, relevant conceptual issues are firstly addressed that contextualise the meaning of ‘agricultural liberalisation’. This is followed by an analysis of how these ideas gained currency in their intellectual and policy contexts. Reflecting on this evidence, the last major section of this article uses a statist model of government behaviour to argue that the Australian Government’s conversion to the liberalisation orthodoxy reflects the ability of a policy community to capture and then dominate the terms of debate over agricultural policy. Consistent with this dominance, discourses about the ‘inevitability’, ‘rationality’ and ‘national interest’ of these strategies have been inscribed within policy texts. But as followed up in this article’s successor, the construction of these narratives encloses inherent contradictions that raise questions about whether, indeed, Australian agricultural liberalisation is in the national interest.

### **Agricultural liberalisation or neo-liberal agriculture?**

Between the 1970s and the 1990s there were fundamental changes to the role played by the Australian nation-state in the governance of agriculture. In the vernacular, these changes have been described as representing a process of ‘agricultural liberalisation’ which seeks to construct a mode of ‘neo-liberal agriculture’. Indeed, the very title of this article presumes that these terms provide an unproblematic descriptor of this quantum of change. Yet before proceeding further there is merit in investigate the meaning and implications of these terms, so that the ensuing analysis is grounded conceptually.

Firstly, the concept of liberalisation does not imply the diminution or abandonment of state’s presence. Recent scholarship has disputed narratives that assert a ‘hollowing out’ of the state. At one level, the size and institutional scope of state functions remains considerable, both in Australia and in other developed countries (O’Neill 2005: 63). At another, it is apparent that capital requires the existence of state functions (notably, upholding the rule of law) as a precondition for accumulation (Weiss 1999). Rather, what liberalisation implies is a restructuring of state apparatus that involves “a shift in rationalities and technologies of governing” (Higgins 2002: 164), and changes relating to who is favoured and under what circumstances (Egan 2001).

This is done in accordance with a meta-narrative (Morgan 2003) that argues the community’s interests are best served by creating space for capital. At times this may involve ‘rolling-back the state’ by way of privatisations and private contracting. On others it involves ‘roll-out’ policies that extend the visible hand of the state through measures to protect capital interests (for example, the strengthening of intellectual property laws). Either way, these programs transform but do not abrogate the state’s role in society. Indeed, recent analysis of the much-heralded ‘New Zealand neo-liberal experiment’ suggests that even this landmark exemplar was not a coherent set of programs and policies, but more of a disparate series of decisions that used the common discursive umbrella of neo-liberalism to respond in particular and different ways to a national economic crisis (Le Heron 2005).

Secondly, liberalisation and neo-liberalism need to be understood as contested and incomplete political projects. For O’Neill and Argent ‘neo-liberalism lurks’. It:

*presents an agenda of possibilities for those with the power to enact change. But this agenda must be devised and played out in historical and geographical circumstances which may compete with the idea of neoliberalism to determine the scope of what is possible. (2005: 5)*

This is an important point to emphasise because, as O'Neill suggests elsewhere (2005: 64), acceptance of neo-liberalism as *fait accompli* only serves to 'self-actualise' the project. The evident strength of the liberalisation juggernaut notwithstanding, its manifestations in state action are dependent upon socio-spatial contingencies. Applied to the case of Australian agricultural liberalisation, this suggests an obligation for researchers to investigate the 'on-the-ground' practices of liberalisation, rather than assume its condition. Good examples of such agendas are provided in work on the strategies and rationalities of governmentality in policy areas such as rural development, environmental management, and drought management (Herbert-Cheshire 2000, 2003; Herbert-Cheshire and Lawrence 2002; Higgins 2001, 2002).

### **The intellectual wellspring for agricultural liberalisation**

Implementation of these policy ideologies over a period of a few decades has been a constituent element of a much broader turnaround in Australian economic philosophy, and this broader canvas needs to be painted in order to tell the story of agricultural policy. For much of the twentieth century, the Australian economy was amongst the most protected within developed capitalist countries. Closely following Federation in 1901, the 'Australian settlement' was sealed as a set of principles that accorded protection to the manufacturing sector combined with 'wage justice' through centralised wage fixation (Kelly 1992). This arrangement sought to maximise the number of people employed at high wages, within the context of a country with rich natural resource endowments (Anderson and Garnaut 1987). For agriculture, this policy paradigm raised the cost of manufacturing inputs (such as chemicals, machinery, etc) above international market prices, and thus impacted adversely against competitiveness. Correspondingly however, farmers' incomes were safeguarded by the supportive geopolitical environment of British Imperialism (providing privileged access for Australian agricultural exports into the UK) and an extensive set of administrative interventions that aimed to construct 'orderly markets' by facilitating 'fair' and equal prices for agricultural products amongst producers. Politically, this latter aspect of policy was secured by the Country Party (now the National Party), which for much of this period was a member of the successive Australian Coalition Governments. The Country Party espoused a philosophy referred to as 'country mindedness' (Aitken 1985), which morally equated the protection of the 'average farmer' with the wellbeing of the nation as a whole (Lockie 2000:17–19).

From the early 1960s, aspects of the Australian settlement came under ideological challenge from the so-called 'second-wave' Chicago School economic paradigm. This school of thought "adheres strictly to neoclassical price theory", advocates "'free market' libertarianism in much of its policy work" and is associated with "'economic imperialism' [namely] the application of economic reasoning to areas traditionally considered the prerogative of other fields such as political science, legal theory, history and sociology" (Department of Economics, New School University 2005). Although the genesis of the Chicago School can be dated from the 1920s, its influential 'second-wave' took root in the 1960s with the work of Milton Friedman and George J. Stigler. Under their tutelage, the Chicago School of the 1960s and 1970s "maintained itself dead against the concept of market failures, reinforcing the... stance against imperfect competition and Keynesian economics (Department of Economics, New School University 2005).

The rise in influence of the Chicago School within the community of Australian economics affected the intellectual practice and philosophical orientation of the sub-discipline of agricultural economics, with implications for the recruitment of graduates into the areas of the Canberra bureaucracy dealing with agricultural policy. The strengthening of these ideas can be illustrated by the Presidential Addresses to the Australian Agricultural Economics Society over the formative years of 1969–72. Through the

1960s the sub-discipline of agricultural economics grew steadily in terms of weight of numbers and influence, such that by 1969 the Presidential Address for the Society could claim:

*The state of agricultural economics is in marked contrast to that of other fields of applied economics in Australia. No other group of applied economists is even remotely comparable to us in numbers, output or professional organisation (Parish 1969: 1).*

Consistent with the Chicago School praxis of 'economic imperialism' however, these successes were interpreted as providing a strategic launching pad for the spread of conceptual tools and methods into new realms. Justifying the colonisation of public policy by agricultural economists as being 'in the national interest', the Presidential Address for 1969 went on to say:

*However, it does seem to me that the growth of agricultural economics in this country has reached the stage where the more significant economies of scale and specialisation have been attained, and, in the future, one could hope to see members of our profession, including our newer graduates, applying their skills to problems of national importance, or of theoretical interest, be they agricultural or other fields... It would seem to me to be in the national interest if some of our more high-powered managerial scientists were to move from university departments of farm management into the Department of Defence; if cost-benefit experts were to scrutinise the decisions of the biggest irrigators of them all, the metropolitan water boards; if more attention were to be paid to the price of oil and gas, even at the expense of less being paid to the price of wheat; if a Bureau of Urban Economics were to poach some staff from the BAE [Bureau of Agricultural Economics]; and if those concerning themselves with problems of wheat- and meat- grading were to widen their interest to encompass the whole field of consumer protection and education. (Italics added) (Parish 1969: 5)*

The call for agricultural economists to 'go forth and multiply' through the Canberra bureaucracy was accompanied by an increasing self-righteousness amongst the sub-discipline's academic leadership. The Presidential Address for 1970 was focused upon the discrepancy between the successes of the discipline in terms of its incipient power-bases within universities and the bureaucracy to reshape the agricultural policy debate, and the reluctance of the farm lobby (at that time) to go along with these new visions. Yet in explaining this discrepancy, fault was seen to lie in the attitudes of rural Australia, not the credentials of academic practitioners:

*Many of the farm leaders are highly intelligent and dedicated men, who lack the educational background, supporting staff and time to brief themselves properly on complex economic issues. Most of them have the practical man's scorn for a rigorous analytical approach, particularly when it comes up with unpalatable answers. (Lloyd 1970: 106)*

Viewed in hindsight, it was perhaps not surprising that Australia's farm leadership would embrace an approach to policy that generated 'unpalatable answers'. Taking up this theme in 1971, the Presidential Address suggested:

*While agricultural economists have expressed their concern about the welfare of those hurt by the changes taking place in agriculture, as elsewhere, I think it is true that they have also assumed that such matters fall outside our strict disciplinary limits and would be dealt with adequately by those more directly concerned. I am not sure*

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*that we can afford to, or should, make that assumption. Some of the research needs that this suggests will require the skills of sociologists or demographers in collaboration with economists.* (Harris 1971: 128)

Yet a year later, such concerns were dealt with dismissively. Looking ahead into the latter part of the twentieth century, the 1972 Presidential Address invoked a vision of the demise of family farming and the broadening of the policy influence of agricultural economists as measures of success for the sub-discipline:

*Over the middle term from 1978 to 1990, my hope is that we will see two developments. The first is that there will be a strong development of industrial or large-scale agriculture. This may or may not involve corporate farming but it does imply a sizeable swing away from family farming in the traditional sense... What I mean by industrialised agriculture is one where the approach to management and production is far more 'industrial' and profit oriented than it is today; and where the traditional values of rural living and ownership count for far less than they do among today's producers. My second hope is that by 1990 we will have had a significant widening in the interests of agricultural economics.* (Dillon 1972: 79)

## **Translating concepts and ideologies into policy practice**

These intellectual foundations were applied to the liberalisation of Australian agriculture through three major economic debates. The first of these related to manufacturing protection, upon which there was a paradigm shift during the 1960s and 1970s. Then in the 1980s, the Australian Government's trade policies shifted fundamentally towards the advocacy of multilateral liberalisation. Finally in the 1990s, largely through the enactment of competition policy laws, domestic agricultural marketing arrangements were deregulated in favour of market principles. Whereas each of these policy spheres involved separate administrative processes and trajectories, nonetheless they intersected in the sense of offering a similar policy vision, and therefore routinely involved the same institutions and personalities advocating ideologically consistent positions ranging across these various domains. Taken together, they broadly illustrate the process described by Kingdon (2003:165–83) that involves 'policy windows' being opened via the coupling of policies and politics by so-called 'policy entrepreneurs'. As discussed in this section, the oftentimes triumphal narrative of contemporary policy makers that Australia's adoption of these policies was both 'rational' and 'inevitable' obscures the more matter-of-fact observation that neoliberal agriculture was a policy choice driven by ideological insistence within influential policy communities.

### **(i) Dismantling manufacturing protection**

Sustained criticism of manufacturing protection began in the early 1960s and was led by the 'elite opinion' of economists (Garnaut 2002:139). Garnaut (himself one of the leading architects in this shift) recounts that 'the first breach of the protectionist line' occurred with the resignation in quiet protest of the Chairman of the Tariff Board, Sir Leslie Melville, in 1962 (Garnaut 2002:151).<sup>1</sup> Afterwards, a changed leadership of the Tariff Board advanced a more liberal line on protection. Prominent advocates of this position were the (new) Tariff Board Chairman (G. A. Rattigan) and the economist, Max Corden. Then, in further weight to the changed opinion within the Tariff Board, a commission of

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<sup>1</sup> The Tariff Board was an independent agency of the Australian Government charged with making recommendations on tariff rates. It was restructured and renamed to become the Industries Assistance Commission in the 1970s; the Industry Commission in the 1980s, and the Productivity Commission in the 1990s.



inquiry into the Australian economy ('The Vernon Report') documented the impacts of tariffs on price and cost levels within the economy. As summarised by Garnaut:

*By the late 1960s the economic professions was advocating import liberalisation with near unanimity and with increasing sophistication... [and] the financial press, led by the Australian Financial Review, was giving extensive coverage to the Tariff Board's heresy [in promoting liberalisation] (Garnaut 2002:151).*

Agriculture played an important background context for the dramatic shift in professional 'elite' opinion in the 1960s and 1970s. Analysis by the Tariff Board and its successor, the Industries Assistance Commission, clearly identified agriculture as being the major economic beneficiary from tariff reform. Interestingly however, the Australian agricultural sector itself took a number of years to be swayed by this opinion. It was only in 1979 that the National Farmers Federation (NFF) was formed, and through this institution body and voice was given to champion liberalisation. Throughout the 1980s the NFF was an unapologetic advocate for a liberalised economy, with its journal *Reform* playing a leading role in putting issues into play within the public arena (Argy 1998:233). By the late 1980s, the free marketers had effectively 'won' the protection debate. Victory declarations were delivered in the 1988 and 1991 Industry Statements of the Hawke Government, which announced a timetable for the phased reduction and elimination of virtually all manufacturing tariffs.

## **(ii) The embrace of multilateralism in trade policy**

If agriculture played a background role in the manufacturing tariff debate, it was front and centre in the evolving debate on Australian trade strategy of the mid-1980s. During much of the twentieth century, Australian trade policy was subsumed into the Imperial politics of the British Empire/Commonwealth. The Ottawa Agreement of 1932 accorded Australia (along with other Commonwealth countries) preferential access to the British market for key agricultural products, and this privileged status was maintained in varied forms until the UK's entry to the European Economic Community (the forerunner to the European Union), in the early 1970s. Britain's EEC membership presented a major challenge for Australian export agriculture, which ramified into the nation's trade strategies during the following decades.

Changes to Australia's relationship with the multilateral trading system bear witness to these challenges. Australia was a foundation member of the GATT in 1947 and historically has played an influential role in that organisation and its successor, the WTO (Capling 2001). Nevertheless, until the commencement of the Uruguay Round in the mid-1980s the GATT regime had little material affect on the Australian economy or trade policy, as Australia "did not always take its GATT tariff bindings seriously" (Garnaut 2002:159). Consequently:

*Almost no Australian tariffs were reduced as a result of these [pre-Uruguay Round] GATT negotiations. Our Government saw Australia as essentially a developing country with an infant manufacturing industry. Furthermore—and this was the main reason for Australia not reducing its tariffs in the GATT process—given that Australia was an exporter of agricultural products (with no immediate prospects of significant exports of manufactures), it was perceived that we had nothing to gain from reciprocity when the rounds excluded agriculture (Corden 1996:145).*

Upon the election of the Hawke Labour Government in 1983, Australian agricultural trade was in an invidious position. Privileged access to the UK was diminished, and agricultural trade was largely outside the ambit of the multilateral system. New export markets had been bilaterally opened in Japan (dairy and sugar), the Middle East (grains and live sheep) and the United State (beef), but these did not necessarily secure the prospects for the sector. During the first two years of the Hawke Government, the

new Trade Minister (Lionel Bowen) sought to progress this problematic position through a more assertive bilateralism. Nevertheless, this strategy came soon to be replaced by multilateralist strategies that sought the inclusion of agriculture within the GATT. The first significant manifestation of this was a speech by Prime Minister Hawke in Bangkok in December 1983 (Garnaut 2002:159). Subsequent diplomatic effort built momentum for this agenda, which culminated in the commencement of the Uruguay Round of the GATT in September 1986. One month prior to the commencement of the Round, Australia hosted a meeting of agricultural exporter nations with the aim of solidifying a common bargaining position. This meeting at Cairns (hence the alliance being called ‘the Cairns Group’) formed the basis for collective pressure being exerted on agricultural protectionist countries via the multilateral system. In Canberra meanwhile, the bilateralism of Minister Bowen was replaced by a stronger multilateralist ideology upon the appointment (in late 1984) of his successor, John Dawkins. The new Minister battled internal resistance—upon the fifteenth anniversary of the commencement of the Uruguay Round, he confided that his own department had warned that the multilateral agenda ‘would end in tears’ (Perrett 2001:50)—before launching a comprehensive transformation in the Government’s position. In his history of this period, Jones (1994:15) identifies a particular moment that signified this shift; a parliamentary speech by Dawkins on 13 May 1985 in which he “damned with faint praise” his own Department’s bilateral strategies. Approximately two years later, the erstwhile Department of Trade was merged with the Department of Foreign Affairs (to form the Department of Foreign Affairs and Trade, DFAT), and as Jones recounts:

*The Department of Trade was not an equal partner in this merger, but was split up and spread to the four winds... Only the Multilateral Division [within the old Trade Department] went to DFAT unsevered, from which base in DFAT it flourished to generate the dominant trade culture... Thus [the merged DFAT] comprised the Department of Foreign Affairs and the Multilateral Division of Trade (Jones 1994:17) (italics added).*

This bureaucratic architecture complemented and reinforced Australia’s leadership role in advocating multilateral agricultural reform within the Uruguay Round.<sup>2</sup> Capling (2001:112) suggests that without access to the financial and practical resources of DFAT, the old Department of Trade “would have found it impossible to maintain Australia’s diplomatic activism over the eight years of the Uruguay Round”. The Cairns Group was headquartered in the Australian mission in Geneva, and commencing in the late 1980s, DFAT undertook and sponsored extensive economic research that sought to quantify the potential national and global benefits from multilateral liberalisation (side-by-side with comparable research undertaken by economic units attached to the Department of Primary Industries).<sup>3</sup> In addition to the Government’s internal economic research capabilities, there soon emerged an array of external economic consultants dependent upon the provision of such advice to the Government. As elaborated upon below, an appreciation of this “institutional capacity” (Capling 2001:110) is vital for an understanding of the dominance of the multilateral vision through the 1990s and into the twenty-first century.

<sup>2</sup> Australia’s leadership role in the Cairns Group was defended bodily, as illustrated in the following story from the Group’s second ever meeting, in Ottawa in 1987. The Group had not determined Chairmanship protocols and Australia’s asserted its right to Chair as founder, while Canada asserted it as host. As Capling (2001:120) relates, the issue “was resolved when Dawkins simply pushed Carney [Canada’s Trade Minister] out of the chair”.

<sup>3</sup> The Bureau of Agricultural Economics (BAE), which in 1987 became the Australian Bureau of Agricultural Resource Economics (ABARE), and the Rural Industries Research and Development Corporation (RIRDC).



### (iii) Dismantling regulations in domestic agriculture

The dismantling of statutory marketing boards and collective agricultural bargaining was the third overlapping policy theme in this transition towards agricultural liberalisation in Australia. As with other like-minded policy agendas, the origins of these initiatives date from the rise of monetarist and neoclassical economics in reshaping policy thinking within the Canberra bureaucracy. At its core, the 'new thinking' on agriculture challenged the assumption that orderly market arrangements optimised national economic benefits. At the time, many of Australia's agricultural industries were comprehensively regulated by supply management regimes that aimed to stabilise prices and production volumes via direct market interventions. These systems had been established in the context of the Keynesian economic strategies that were put in place during and following the Great Depression and the Second World War. Influential think-tanks such as the Centre for Independent Studies began to publish neoclassical analyses of these regulations (for example, Sieper 1982), which inevitably concluded that they hobbled the efficiency of Australian agriculture, compared to what could be achieved allegedly through market-based alternatives. A series of public inquiries into specific agricultural sectors by the Industry Commission in the 1980s and early 1990s further elaborated the case for regulatory dismantling.

These reports provided a justification for domestic agricultural deregulation, but progress was slow and piecemeal. Then in the mid-1990s, a breakthrough in regulatory change occurred with the enactment of National Competition Policy (NCP) legislation. As Federal Treasurer, the former Trade Minister John Dawkins spearheaded a 1994 agreement between Australia's federal, state and territory governments for a coordinated review of all legislation that impacted upon competition. Under the terms of the agreement, legislation would be revoked unless a demonstrated net social benefit could be proven. For agriculture, this policy meant the timetabled review of 254 separate laws (Pritchard 1999:424). The administrative processes under which these reviews took place tended to define 'social benefits' in accordance with relatively narrow conceptions of economic efficiency. Interest groups had to shoulder the burden of proof explaining why regulatory arrangements should be retained, and prove this against a hostile dominant ideology. The implementation of NCP led to a rapid dismantling of economic regulations in the rural sector (Pritchard 1999).

These policies often have been described in terms of 'deregulating' agriculture, but more correctly are described as instituting a regime of 'market regulation'. Under the new arrangements farmers were still required to comply with an array of rules and procedures when selling their produce, but the key difference was that they were prevented from acting collectively towards these ends. As documented in Pritchard and Burch's (2003:95–129) analysis of these issues in the Australian processing tomato industry, they represented a form of 'enforced individualism'; effectively, the State intervened to force growers to negotiate with (much larger) buyers of their produce on individual terms. More extensively, Morgan (2003) conceives this process as the 'meta-regulation' of society in accordance with what she labels 'the shadow of competition'. She suggests that the kernel of this approach is that it:

*institutionalises a presumption in favour of market governance, and this causes bureaucrats to reframe or 'translate' aspects of social welfare that previously may have been expressed in the language of need, vulnerability or harm into the language of market failures or market distortion. (Morgan 2003:3)*

The embrace of multilateralism was the anchor for these bureaucratic transformations, because of its role in giving sustenance to the imaginaries of "bounteous wealth" (Jones 1994: i). From the commencement of the Uruguay Round, the Australian Government systemically 'talked up' the prospects of rural wealth arising from (an allegedly impending) global accord on free agricultural trade. Holding out this vision established a justification for allegedly 'necessary' reforms domestically; a

“two-edged sword” of the liberalisation agenda (Pritchard 2000). For advocates of multilateralism, a ‘clean’ domestic agricultural sector was vital for the process of proving Australia’s bona fides in proposing liberalised agriculture at a global level.

## **Conclusion: Assessing the emergence of market liberal policies for Australian agriculture**

The arguments used to maintain these policies are investigated in Pritchard (forthcoming). In the last section of this article, I ask what general insights can be learned from the processes by which Australia embraced liberal agriculture.

Two contrasting approaches to explaining government behaviour provide an entry point for examining these issues in greater detail. First, approaches under the banner of private interest theory and public choice theory suggest that state action can be explained in terms of responsiveness to pressure groups. As summarised by Bell (1995:30), these approaches are essentially society-centred models, in that “overwhelmingly, the arrows of political causation flow from society to state and not the other way around”. On the other hand, ‘statist’ models of government give greater scope for the autonomy of bureaucratic institutions to shape government behaviour through their cultivation of ideological preferences.

Seen within the frames of this (relatively crude) dichotomy,<sup>4</sup> ‘statist’ approaches would seem to offer greater scope for explaining the conversion of Australian agricultural policy towards neoliberal ideals, at least in its initial stages. As noted earlier, the formative impetus for breaching the Australian settlement came from the elite opinion of economists (Capling and Galligan 1992), which in the 1960s found favour within the Tariff Board. The ideological capture of this key government instrumentality provided a successful beachhead for the further distribution of neoliberalism within government.

For Corden (1996:146) and Garnaut (2002:153), this occurred because of the independence, professionalism and technical literacy of the Tariff Board economists, emulated afterwards by those of its successors and other like-minded institutions. Corden and Garnaut are not incorrect to identify these factors as being important ingredients to the spread of neoliberalism, but the triumphal and functionalist emphasis they give to this explanation is altogether too convenient and simplistic. It is not adequate just to say that neoliberal policies simply won a contest of ideas, based on objective assessment of national costs and benefits. To ascribe policy formulation to the rational metrics of evidence-based analysis is to give insufficient credence to the dynamic connectivity between institutions, interests and agency in the mobilisation of particular world views and their application to government action.

Partisan politics fanned the flames of these developments. As discussed by Capling (2001), the incoming Hawke Labor Government in 1983 was hostile to a perceived legacy of National Party interests in the Primary Industry and Trade portfolios, meaning that agendas of deregulation and multilateralism provided a rationalising vehicle to dislodge conservative influence from Australian rural policy making. As noted earlier, this agenda materialised to greatest effect when Dawkins was appointed Trade Minister in 1984. Prior to the advent of the neoliberal dominance, these areas of government could be characterised as institutional regimes—they administered programs and worked towards particular concrete objectives (for example, getting a better price for Australian sugar being sold into Japan). In the neoliberal period however, much of their rationality has been subsumed by a symbolic agenda—to facilitate the more abstract ideal of multilateral liberalisation. To this extent, much of their focus has become indistinguishable from the agendas of key advocacy coalitions in the private sector,

<sup>4</sup> There is, of course, extensive elaboration of these ideas within the political science and economics literatures. For the purpose of this article however, only the bare bones of these approaches is referenced.

notably including the National Farmers' Federation and the Business Council of Australia. These areas of government and their private sector counterparts increasingly have become arenas for like-minded policy communities (Grant and MacNamara 1995:509) with shared intellectual views and regular interactions through conferences, joint initiatives and the like. Argy (1998:230) labels this entanglement the 'counter-coalition of free-market interests'. Through the 1980s, the notion of trade and agricultural portfolios being repositories for diverse skills, tacit knowledge bases and corporate memory became replaced gradually by a more monochromatic perspective on the centrality of economic literacy as a platform for recruitment and advancement. According to Corden (1996:149) the "boom in economics training in Australia" during the 1970s and 1980s led to the situation where "senior bureaucrats in key departments... have (almost all) been qualified economists". From a very different perspective, Pusey (1991) argued that these trends were implicated in an ideological capture of policy by neoliberal economic 'hardliners'. Shortly after the publication of Pusey's headline-grabbing book the then-President of the Economic Society in Australia (Fred Argy) strongly renounced Pusey's claims in the annual address to his professional organisation, but in a mea culpa some years later wrote:

*However in some ways Pusey has proved quite prophetic: the dangers he saw in the 1980s were exaggerated and premature but they are now proving more real. (Argy 1998:234)*

In conclusion, the conversion of Australian agricultural policy to the neoliberal ideal has involved far more than merely an allegedly 'correct' set of policy prescriptions being embraced. Australian agriculture policy has not undergone 'regulatory capture' akin to the US Department of Agriculture (USDA)—where there is ample evidence that policy and program administration is structured to accommodate vested private interests (Browne 1988; Mattera 2004)—but has been converted to a single ideological position through the ability of a policy community to dominate the terms of debate over agricultural policy. Consistent with this dominance, discourses about the 'inevitability' and 'rationality' of neoliberal strategies have flourished. But as argued in this article's successor, the construction of these narratives encloses inherent contradictions that are maintained only through systemic exaggeration of the benefits of these policies; and policy silences over its costs.

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