

# From market to multifunctionality? Land stewardship in Australia

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Recent assessments of Australia's land and water resources have revealed widespread patterns of serious decline, much of it directly associated with agricultural practices. The environmental degradation associated with agriculture has both biophysical and socio-economic underpinnings. While there have been calls to attend to the sustainability 'crisis' of Australian agriculture, policy settings remain firmly locked onto a productivist trajectory. We consider the implications of contemporary policy settings for farmland sustainability against the background of debates as to the meaning of 'multifunctionality'. The discussion is then turned to the Land Stewardship project, a strategic policy initiative within the State of Victoria that was looked to as a means of redressing environmental degradation in agricultural landscapes while also being attentive to rural community and economic issues. Towards the end of the paper we reflect on the question of how the Land Stewardship project aligns with theorizations of multifunctionality.

KEY WORDS: Australia, agricultural sustainability, ecosystem services, multifunctionality, land stewardship, agri-environmental governance

## Introduction

There are few places, in the western world at least, where concerns for the sustainability of farming resonate as strongly as they do in Australia. The most recent national state-of-the-environment account observed: 'In many instances, such as changing our land use practices or reversing the over-allocation of river waters to irrigation, the challenges are immense' (Australian State of the Environment Committee 2001, 112). A host of symptoms of widespread environmental degradation have been attributed to agricultural practices, including 'critical dryland salinity and water quality problems that pose threats to not only native vegetation but also to sustainable agriculture and forestry' (Australian State of the Environment Committee 2001, 74).

The environmental degradation associated with agricultural practices has both biophysical and socio-economic underpinnings. In biophysical terms, characteristics of the Australian environment include deeply weathered, fragile soils and a highly variable

climate marked by prolonged and recurrent periods of low rainfall, leading Flannery (1998, 1) to suggest that the carrying capacity of Australia is dependent on the ability of agriculture to work within the limits set by its soils and climate. The social and economic roots of environmental decline include forms of production that are ill-suited to these biophysical conditions, embedded social attitudes that construct the rural environment principally in terms of production, and contemporary policy settings that strongly favour a productivist agricultural regime (Gray and Lawrence 2001). While there have been clarion calls to reverse the social, economic and environmental decline of Australian agriculture, policy settings remain locked firmly onto a productivist trajectory (Argent 2002; Dibden and Cocklin 2005).

The entry point for our analysis here is the environmental dimension of the 'unsustainability' of Australian farming, but throughout the paper we seek to maintain the connections to the economic and social dimensions, thereby acknowledging their 'co-implications' (Castree 2002; cf. Cocklin and

Dibden 2005). We begin by considering the implications of contemporary policy settings for farmland sustainability. Our attention then turns to providing an account of one policy intervention – the Land Stewardship project – that has been promoted within the State of Victoria as a means of redressing environmental degradation in agricultural landscapes while being attentive, simultaneously, to social and economic issues. A question of interest to us is whether an initiative such as the Land Stewardship project signals a warming in policy circles towards concepts of multifunctionality and we reflect on this towards the end of the paper.

### Rural development paths and policy settings

Marsden (2003) draws on theories of social regulation and governance to develop an improved understanding of the condition of the ‘unsustainability’ of rural spaces and to point to alternative development pathways. He explores three competing ‘dynamics’ that are shaping rural space: the agro-industrial dynamic, the post-productivist dynamic, and the rural development dynamic. The agro-industrial model is characterized by globalized production systems, standardized food and fibre products, and a faith in competitive efficiency that is driven, in many places, by deregulation. Marsden describes it as a ‘dynamic which ties agro-food centrally into an industrial dynamic, treats natural food products as industrial products, and tends to see the reform of the CAP as a preface for further concentration and global competition in the agro-food sector’ (p. 3). Within the ‘post-productivist dynamic’ the farm becomes part of a ‘criminalized space’ (p. 93; see also Lowe *et al.* 1997), but ‘what becomes positive in the post-productivist paradigm is public external access to the farm resource, particularly the aesthetic character of the agricultural landscape, and the regulation and restrictive planning of this for the broader symbolic public good’ (Marsden 2003, 93). This reference to the particularities of the socially constructed post-productivist landscape points, indirectly at least, to the role of particular discourses and agents in defining a trajectory of rural change. The ‘rural development’ dynamic prescribes an alternative future for rural places ‘by centralising the potential value of agro-ecological practices’ (Marsden 2003, 160). In shaping the contours of this trajectory, Marsden draws on ecological modernization and agro-ecology, perspectives that he believes hold the promise of a more sustainable rural development paradigm.

In a more recent report, Marsden and Sonnino (2005) seek to invest the term ‘multifunctionality’ with meaning in relation to these three rural development dynamics. Interpreted in the context of the

agro-industrial paradigm, multifunctionality, they argue, is limited to pluri-activity. Within the post-productivist dynamic, it is interpreted as farm diversification, while the rural development paradigm suggests a more inclusive, sustainability-oriented meaning.

As McCarthy (2005) notes, the concept of multifunctionality has been constructed out of observations of agriculture in western Europe, raising questions about its applicability elsewhere, including Australia (Argent 2002; Holmes 2006). Not only is multifunctionality presented as a special feature of European farming and farmed landscapes, but the concept has gained currency in recent years as a discursive support for maintenance of EU agricultural protection in the face of calls from the World Trade Organization (WTO) and other opponents for the dismantling of farm subsidies. However, the conceptualizations of multifunctionality in relation to neoliberalism have been seen as taking two forms. McCarthy (2005), like Potter (this issue), argues that one interpretation of multifunctionality is anchored in neoliberal agricultural policies generally and trade liberalization in particular, continuing a process of commoditizing nature (cf. Marsden’s agro-industrial dynamic). Thus: ‘Multifunctionality’s insistence that the non-commodity goods jointly produced by natural resource industries ought to be disaggregated, priced, and paid for surely falls within this consensus’ (McCarthy 2005, 779). But, drawing on Hollander (2004) and others, McCarthy (2005, 779) identifies a second theorization of multifunctionality ‘as an explicit form of resistance against neoliberalism’. For McCarthy (2005, 779), a ‘middle road’ is represented by conceptualizations that equate multifunctionality with ‘ecological modernization in the countryside’: this same approach forms the basis for Marsden’s ‘rural development’ dynamic (Marsden 2003 2004). Potter (this issue) also observes that this rural development model of multifunctionality has been presented as a middle path (in this case between ‘neoliberal productivism’ and ‘state interventionism’), but one that runs the risk of accommodating rather than challenging market rule.

While multifunctionality in its policy-related aspects appears to have little relevance to countries outside of Europe, the fact that the term has been invested with different meanings, derived from competing representations of agriculture and rurality, suggests that its Eurocentric origins are not necessarily an obstacle to its use as an analytic in other places. For example, Holmes (2006, 145) argues that ‘Multifunctionality is increasingly recognized as a characteristic of all rural holdings, even those outwardly in pursuit of monofunctional *production* or *consumption* goals’. In other words, we can describe rural production, in place, according to

its production, environmental and social attributes, and map this to an interpretation of multifunctionality, within the range of extant definitions, as Holmes (2006) does for Australia. Our intention in this paper is somewhat different. We aim to demonstrate the way in which policies designed to promote multifunctionality have begun to emerge in Australia, despite the avowed opposition of the Australian government to such protectionist devices. To one extent or another, all notions of multifunctionality suggest some measure of a shift from purely productivist imperatives towards improved environmental and social outcomes but, as Dobbs and Pretty point out:

The idea that agriculture provides these other types of goods and services [environmental and social], is not new, of course, and, in itself, is not controversial. The controversies surround how this concept [multifunctionality] is translated into policies.

Dobbs and Pretty 2004, 222

As regards agricultural policy, governments in many countries, including Australia in the recent past, have used subsidies and regulation both as a means of encouraging preferred environmental practices and, in the case of subsidies, as an indirect way of underwriting the economic viability of farmers. Cain and Lovejoy (2005, 22) report, for example, that the US Soil Conservation Act 1935 provided funds to farmers in return for implementing soil conservation practices, and 'became the basis of economic relief in the subsequent Farm Bill'. The US has continued to rely on regulatory and cross-compliance tools, but since the 1990s conservation and environment objectives have overtaken those relating to farm support and supply levels (Cain and Lovejoy 2005; Cooper *et al.* 2005).

As in the US, EU member states currently use a variety of subsidies and regulatory tools to promote environmental objectives in agricultural areas. Cooper *et al.* (2005), for example, cite the examples of the Countryside Stewardship programme in England, which provides payments to farmers to enhance and conserve agricultural landscapes, and the French Contrat Territorial d'Exploitation (CTE) scheme, which provides funds to farmers for environmental protection projects, among other things. Dobbs and Pretty (2004) present a more comprehensive history of stewardship schemes and offer a useful analysis of these in the context of both WTO rules and in relation to US policy prescriptions.

A distinguishing feature, and one of the main points of difference between current Australian agricultural policy and that of the US and Europe, is the minimal and decreasing role of subsidies and

other supports for agriculture<sup>1</sup>. Another feature is the extent to which Australian agricultural production is locked into – and shaped by – world export markets. From the 1970s, Australian governments became increasingly committed to opening agriculture to competition on the world market, and to promotion of high-tech, intensive farming practices, farm restructuring (amalgamation), training to increase 'capacity' of landholders, and other efficiency measures (Argent 2002; Gray and Lawrence 2001). Agriculture was thus encouraged to move towards what we have called 'competitive' or 'globalized' productivism (Dibden and Cocklin 2005) – a form of hyper-productivism congruent with the 'economic rationalist' (neoliberal) political ideology ubiquitous within the federal government from the 1970s (Pusey 1991). Thus, Argent (2002, 111) pointed to contemporary 'evidence of the continuing strong grip of productivism as financially stressed farm families strive to attain higher levels of productivity to survive'.

A major component of the Australian government's strategy for promoting agriculture is advocacy of free trade. This has been driven by a desire to dismantle the trade barriers (import quotas and subsidies) erected by major trading partners, which act to drive down prices received by Australian farmers. Financial support of any kind for farmers, including agri-environmental schemes, is viewed by Australia and other Cairns Group nations as a thinly disguised non-tariff barrier and therefore contrary to WTO rules (Potter and Burney 2002). In other words, current Australian agricultural policy conforms to the general tenets of the agro-industrial model that Marsden describes. This policy position underlies Australia's hostility to the concept of 'multifunctionality', to the extent it has been used by the EU as a basis for providing financial assistance to agriculture (Wynen 2002). A dilemma for Australian governments, though, is how to reconcile the perceived incompatibility of the long-standing opposition to farm subsidies with the need to help farmers deal with their environmental problems (Dibden and Cocklin 2005).

In the US, the EU, Australia and elsewhere, a variety of policy tools and mechanisms are used to encourage positive environmental behaviours (e.g. Pannell 2005; Pierce 1996). In Australia, for example, voluntary self-help approaches, notably the National Landcare Program, have been relied upon to change the attitudes and behaviour of landholders in respect of the environment (Wilson 2004). Government support for such programmes has been viewed by several commentators as part of the government's neoliberal promotion of private regulation or, in this case, the 'self-regulation of individuals' (Martin and Halpin 1998, 448). However,

the responses of farmers have been as mixed as those reported for EU agri-environmental schemes (see, e.g., Curtis and Lockwood 2000; Higgins and Lockie 2002). A growing body of evidence has cast doubt on the assumption that inculcating an environmental ethic will lead to more sustainable land management practices, particularly if these must be undertaken by farmers at their own expense. An evaluation of the National Landcare Program concluded that:

While many landowners may be aware and committed to sustainable natural resource management practices, they may not have the financial resources to adopt these, even though they know that not adopting them may be to their own peril in future.

Dames and Moore-NRM 1999, 73

Farmers who participated in the Land Stewardship project, discussed below, supported this view, expressed colloquially as 'it's hard to be green when you're in the red' (but cf. Burton 2004; Richards *et al.* 2005).

At the end of the National Decade for Landcare in 1999, a discussion paper (NNRMTF 1999) signaled a policy shift away from reliance on voluntary, local community-based activities towards regionally based community-government 'partnerships'; supplementation of public regulation with private regulatory forms, such as quality-assurance accreditation schemes; and the use of economic instruments, including taxation and other incentives, to promote sustainable farming practices (NNRMTF 1999, 48–53). The incentives proposed included stewardship payments 'providing an income to landholders who manage their land for conservation and provide wider environmental and social "products" for natural resource management purposes' (NNRMTF 1999, 41). The Land Stewardship initiative that we describe subsequently is consonant with this direction in resource management.

The background to this project is a growing awareness of the incompatibility between competitive, intensive agriculture and the widening environmental crisis that we referred to above. As Parker (2005, 11) observed recently: 'The obvious disjuncture between agricultural development and environmental and social sustainability testifies that today's institutions, public policy and markets are not delivering sustainable agriculture'. Despite continuing to promote neoliberal principles of competition and efficiency, there are signs of a shift by governments at both state and federal levels towards a recognition that farmers cannot be expected to undertake 'public good' environmental work without public support. The Land Stewardship project, described next, is one example of this

incipient policy shift. How this and cognate programmes map onto the alternate theorizations of multifunctionality is a question we turn to towards the end of the paper.

### The Land Stewardship project

Parker (2005) asserts that much of agriculture is unsustainable and that farmers will have to accept changes in institutional arrangements, their patterns of resource use, property rights and the culture of resource management. Towards this, he suggests: 'Markets for ecosystem services can contribute to this change by generating new income streams and landuse options that enable farmers to steward natural resources more wisely' (Parker 2005, 17). Stewardship payments are a specific form of a market-based policy tool which, as Dobbs and Pretty (2004, 225) note, are 'intended primarily to enhance agriculture's performance with respect to positive environmental functions' but which can 'also have intended or unintended effects on production and social functions'.

In 2003, the State Government of Victoria published an 'issues and options' paper that acknowledged the emergent environmental and social problems associated with productivist agriculture and proposed payment to landholders for 'the provision of various environmental services from land' (VCMC/DSE 2003, 3). Three important principles were established. Firstly, that rural land, managed well, provides a range of valued public good services in terms of environmental outcomes (such as clean water or mitigation of salinity) and landscape amenity. Secondly, it was proposed that the provision of these services is best achieved by maintaining the presence of people in the rural landscape. A third principle was that the provision of services beyond the landholder's 'duty of care' should be paid for by society at large. This leads to the important question as to how this might be achieved, and subsidiary questions as to how ecosystem services are valued, the estimation of opportunity costs, the distribution of benefits, and how management regimes will affect environmental assets (Parker 2005). The issues and options paper established a broad research agenda for the further consideration of 'land stewardship' and specifically 'how society might pay . . . land managers and owners for good management and public good stewardship practices' (VCMC/DSE 2003, 3).

Phillips and Lowe (2005, 40) identify ecosystem services – produced on private land, for the public good, and in the rural landscape – as the central policy concept underpinning the Land Stewardship project. The project, they report, integrates several concepts: 'land stewardship (behaviour and ethic),

ecosystem services (landscape product), landscape (a scale measure), landscape change (an outcome), public good (benefits that go beyond the boundaries of production location), integrated actions (complementary and orchestrated efforts), duty of care (a standard), etc.' (Phillips and Lowe 2005, 40).

The Victorian Land Stewardship project has similarities with agri-environmental schemes that have been developed in other countries (see, for example, Dobbs and Pretty 2004). In concert with programmes that have been implemented in the US and the EU, its primary goal is to engender a more environmentally sustainable rural landscape. The Victorian Catchment Management Council (VCMC), one of the two main sponsors of the project, outlined a vision for 2020 which foresees land stewardship as having:

yielded dividends guided by the principles of ecologically sustainable development. It has resulted in vibrant regional economies and communities. Natural Resource Management investment is a positive line item on the nation's accounts. More importantly, the natural resource asset registers of the nation are also moving in a positive direction.

VCMC 2004, 5

The economic and social co-benefits referred to in this statement align the project with programmes in the EU since, according to Cooper *et al.* (2005, 38), 'agri-environmental policy in the EU is now a part of rural development and can be difficult to distinguish from rural development programs'. The Land Stewardship project puts weight on maintaining farmers in the landscape, an ethos shared with the EU, though apparently not the US (Cooper *et al.* 2005). Like agri-environmental programmes in other countries, it is anticipated that the Land Stewardship project will draw on a range of policy tools (see Carr 2005; Pannell 2005; Parker 2005), though the preference in Australian policy circles is for market-based initiatives.

### Land manager perspectives

Our involvement in the Land Stewardship project was concerned with exploring the opinions of land managers on policy proposals relating to the sustainable management of land and with enabling them to contribute to the design of strategies to facilitate the adoption of land stewardship practices (Cocklin *et al.* 2003). The methodology, described fully elsewhere (Dibden *et al.* 2005), consisted of a series of workshops, involving groups of participants meeting on three separate occasions over the period July–September 2003 to discuss issues relating to land management. There were six workshop

groups, four made up of private landholders, including both commercial farmers and 'hobby' or 'lifestyle' landholders, and two of regional or local-level institutional land managers (natural resource managers, planners, private sector organizations and farmer organizations). The workshop sessions involved a mix of focus group techniques, roundtable discussions, break-out groups, and forms to record personal viewpoints on selected issues (see Dibden *et al.* 2005). In light of the fact that, as researchers, we perceived little systematic difference in the views and outlook of the two main participant groups, we treat them collectively here and use the term 'land manager' to refer to both private landholders and public land managers; where it is used, the term 'landholder' refers to farmers only.

Here we draw out three themes that emerged from the conversations entered into with land managers. The first refers to their concerns about the unsustainability of the current trajectories of agricultural production. Secondly, we summarize land managers' views on the idea of payment for ecosystem services and their suggestions as to how this may be implemented. Thirdly, we discuss their opinions on policy tools and other components required for an effective public policy initiative directed towards improved sustainability in land management.

### *The unsustainability of productivism*

One of the lines of discussion entered into with workshop participants revolved around views and interpretations of 'sustainable land management'. The discourses of sustainability, unsurprisingly, emphasized the inherent tensions between economic and environmental objectives at the farm level. In effect, these give substance to the contradictions of the agro-industrial model referred to earlier. Landholders commented on the pressures to increase production and extract the greatest return from land in a competitive marketplace that does not reward environmental management. Thus, '*The harder the farmer is being driven, the harder he will drive the land*'. The cost–price squeeze experienced by landholders means that their ability to deal with environmental issues is constrained unless assistance becomes available:

Either markets must provide farmers with the financial resources or governments must. This will require both changes to international marketing for farm produce and a mind change in all Australians that they are all stakeholders in this country's environment.

At the same time, several landowners acknowledged the importance of sound environmental practices in achieving or maintaining profitability:

Every farmer should have the self-interest to realise that his farm is either his legacy or his superannuation and therefore strive to maximise the value of his property – to maximise wealth creation. The environmental condition of the farm is an integral part of this.

If this is not sufficient motivation, many workshop participants considered that public opinion – and particularly the views of city people – would exert pressure in the future for more environmentally friendly practices. Accordingly, the view was expressed that landowners would be forced by the government to farm more sustainably, if they did not move in this direction of their own accord.

#### *Institutionalizing ecosystem services*

A second line of conversation revolved around the merits and shortcomings of a public policy framework that would provide financial rewards for the provision of public good ecosystem services on private land. An important feature of ecosystem services is that their benefits accrue to society at large, not just to the individual landholder, raising the question in the context of the Land Stewardship initiative as to whether landholders should be rewarded for providing these services. One way of encouraging the maintenance and enhancement of ecosystem services is to put in place systems that identify and provide incentives for the delivery of these services (Dobbs and Pretty 2004). This approach would replace the present reliance on changes in personal motivation and voluntary initiatives (such as Landcare) to achieve favourable environmental outcomes.

The concept underpinning payment for ecosystem services is recognition by the wider community of environmental work undertaken by people living and working on the land. The idea of some form of support and assistance provided by the whole community in acknowledgement of the stewardship role was strongly supported by many project participants. Indeed, this need for public recognition emerged from our workshops as one of the key criteria for successful operation of an ecosystem services program. However, some landholders were hesitant about the potential of the ecosystem services proposal:

From experience it is only interested parties who would participate in such incentives. There is and would be a high proportion of traditional farmers who find it difficult to accept innovative programs.

Another landholder envisioned the opposite:

Payments would help with the 'unconverted', but those who are doing it anyway would not benefit as much.

In general, the concept of payment for ecosystem services was supported, but concerns were raised about how the scheme would work and how it would be funded. Landholders suggested a variety of ways that payments could be administered, such as cash payments for defined services, buy-back of marginal land, and tax incentives. Some landholders favoured tax relief over financial incentives, since the latter may be seen by the wider public as handouts.

Participants suggested that stewardship payments would have to be tied to achieving environmental outcomes, but an attendant difficulty is how to monitor the outcomes in order to ensure compliance. One institutional manager looked upon these problems as insuperable:

I believe payment is not a realistic option. Accounting mechanisms are flawed and the true value of ecosystem services (e.g., clean air) are priceless (despite the ability of green economics to come up with a book value).

There was skepticism that there would be adequate remuneration to compensate for the costs in time, labour and resources, to offset the income that would otherwise be attained through agricultural production. Their concern is warranted perhaps, as Parker (2005) suggests that in the short to medium term perhaps only 10–25% of farmers may be able to participate profitably in markets for ecosystem services.

The question about how and what to pay landholders for services draws attention to the grey area surrounding 'duty of care issues', i.e. establishing what is a reasonable expectation and what is considered to be going an extra step towards protecting and enhancing the environment (Young *et al.* 2003). Some landholders, although supportive of the concept of recognition and reward, felt that environmental work was a necessary part of being a farmer and did not want to rely on handouts. A perception of negative public attitudes towards farming practices and the desire for recognition were strong and recurrent themes throughout the workshops. The idea of some form of acknowledgement (not necessarily financial) of the stewardship role of farmers was strongly supported by many workshop participants.

#### *Policy tools and good governance*

The Land Stewardship project participants debated the use of a range of policy tools and instruments – voluntary, market (price)-based and regulatory. Unsurprisingly, these discussions revealed an antipathy towards regulatory approaches, and an enthusiasm for voluntary and education-based strategies.

In Victoria, policy mechanisms such as voluntary programmes (notably Landcare), information provision and training are already in use. In general, the participants in this research supported their continued use as part of an integrated strategy for promoting sustainable practices within the rural landscape. Our dialogue with participants suggested that, from a landholder perspective, the strategy should consist of a hierarchical mix of policy instruments:

- research and development, training and education, and voluntary programs, the mechanisms most favoured by landholders;
- market-like mechanisms, which received in principle support from participants, moderated by concerns for their successful implementation; and
- regulation, viewed by landholders as a measure of last resort, to ensure minimum standards are maintained.

Considerable skepticism was revealed about the role of government, and the prospects of a genuine government commitment to programmes over the long term. Some landholders observed that agencies are continually changing their approach without appreciating the implications for the landholders, and that overlapping programmes and responsibilities result in confusion and wasted effort. At the same time, there is apprehension that entering into an agreement to provide ecosystem services could result in loss of control of land and be the first step towards the appropriation of property rights.

### From market to multifunctionality?

It has been suggested that there is an ongoing value shift in respect of Australian agriculture:

At the end of its first century of federation, Australia is in the process of redefining its cultural identity through changing attitudes to land and landscapes . . . In many parts of Australia, the historical predominance of agriculture as the economic driver and user of land, water and vegetation is being challenged by new economic activities and different values . . . At the beginning of the 21st century, Australia is a continent in transition.

Australian State of the Environment Committee 2001, 45

The participants in our workshops expressed cognate views, particularly in their reference to the influence of urban voices in proscribing aspects of farm management. For example:

We're being told what we should and shouldn't do all the time, you know, but a lot of those people have no real understanding of the situation we face from day to day . . . You've got lots of people saying you

should do this, you should plant trees, you shouldn't plant trees or native pastures or . . . chemicals we can or cannot use or should or shouldn't use and a lot of the time it's generated from . . . the general public in Melbourne or the cities . . . and then we're expected to run our properties that way, yet they don't come up and see what's going on and understand why we do things.

The Land Stewardship project responds, ostensibly, to these value changes, which are primarily city based, by establishing a framework in which farmers are encouraged to improve their environmental performance through the provision of ecosystem services. A common theme throughout the discussions was anxiety about public attitudes towards farming practices and a desire for landholders to be recognized for the environmental work they are already undertaking. Public recognition and promotion of the role of farmers and other landholders would, it appears, constitute a significant motivational incentive for improved land management.

In addition to changes in public attitudes towards farming and the environment, rural areas are also changing in character. In discussions with project participants, a picture emerged of a differentiated countryside in which commercially oriented, intensive agriculture co-exists and often competes for space with other land uses: niche production, environmental protection and rural residential uses. Indeed, the four areas in which the participants lived and worked exhibited a variety of land ownership, farming and landscape types. For example, two localities were characterized by extensive land subdivision and 'post-productivist' land uses (Wilson 2001), such as 'lifestyle' properties, revegetation projects and tourist accommodation. Contrasting areas were dominated by commercial farming operations, such as livestock, wool production and cropping. In looking towards the future, participants foresaw an extension of 'existing trends towards intensification, diversification and (in some areas) land subdivision' (Cocklin *et al.* 2003, 13). Regional variations were anticipated ranging from 'greater rural depopulation' in the remoter parts to urban sprawl and settlement by commuters and retirees in more accessible areas.

In the period following the completion of this research, State Government enthusiasm for the Land Stewardship project appears to have faltered. While the Victorian Catchment Management Council submitted a discussion document and recommendations for further action in 2004 (VCMC 2004), a promised companion document from the State Government appears never to have been completed. However, despite the apparent loss of government support for the concept, the Catchment Management

Authorities (CMAs) – natural resource management agencies operating at the regional scale – have been developing a wide range of stewardship programmes, addressing the protection and management of biodiversity and control of salinity. Through these regionally based ecosystem service projects, it does seem that land stewardship is set to become a mainstay of strategies to achieve better environmental outcomes on farms within the state, irrespective of the future of the Land Stewardship initiative specifically.

Australian agriculture is clearly in transition – a transition marked at the policy level by an increasing recognition of the role of landholders in environmental protection and remediation of occupied landscapes and on the ground by what was characterized in the UK as the uneven ‘retreat from agricultural productivism’ (Lowe *et al.* 1993, 206). The Victorian Land Stewardship project and its outgrowths in the form of CMA stewardship schemes are symptomatic of these shifts both in policy and practice. But do these impulses and initiatives signal the emergence of a new form of ‘multifunctionality’ within Australian agriculture? The answer to this depends on what interpretation is given to multifunctionality.

We suggest that the Land Stewardship and cognate initiatives are indicative of an interest in multifunctionality, constructed within what Marsden and Sonnino (2005) define as the post-productivist paradigm of rural development, or what Potter (this issue) refers to as a ‘public goods economy of the countryside’. The land stewardship schemes respond to a growing urban-based discontent with the environmental externalities arising from agricultural practices. They seek to ameliorate the negative effects by assigning economic value to positive environmental behaviours, while at the same time preserving the sanctity of private property rights. They do not challenge the continuance of conventional agriculture, though they potentially support a variety of diversified activities. As such, land stewardship in its various forms is a hybrid of the market-based instruments policy prescription and a newer ‘multifunctional approach’, with the recognition that people are a vital element in the sustainability equation. For farmers, they hold the promise of new income streams, thereby bringing about the economic diversification of the enterprise. If they simultaneously mean that some farmers will stay on the land, whereas otherwise they might have withdrawn from farming, land stewardship initiatives will help to maintain rural social and community vitality as well. In the sense that they could serve environmental and social as well as economic aims, land stewardship projects present a strategy for rural development that, in our view, is

superior to one constructed within the agro-industrial paradigm. Together with other infant programmes supporting niche production, regional ‘agribusiness forums’, local food trails and farmers’ markets, the land stewardship initiatives could help to mark the first, faltering, steps towards a more inclusive, sustainable rural development trajectory – a more spatially variable rural space, founded on a genuine social, economic and environmental integration at the local and regional levels.

#### Note

- 1 A recent report from the OECD (2004, 42) reveals that ‘Support to Australian agriculture is the second lowest in the OECD . . . Producer support (% PSE), fell from 8% in 1986–88 to 4% by 2001–03, compared to a decline in the OECD average over the same period from 37% to 31%’.

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