

**New Labour's Countryside:
Rural Policy in Britain since 1997**

Chapter 9: Agricultural Policy

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The agricultural policy of the New Labour governments has been central in their approach to governing the countryside. This is highlighted in the rhetoric of multifunctional agriculture, which stresses the central contribution that farmers make to the delivery of a wide range of policy objectives – not only in food production but also in rural development, environmental sustainability, animal welfare and food quality. So in a speech to the Royal Agricultural Society in July 2006, David Miliband, the newly appointed Secretary of State for the Environment, Food and Rural Affairs, commented that 'farming is at the heart of our society, our economy and our cultural heritage. It's about people, food, landscape and the environment. It touches every member of society every day...It is important not just for the countryside but for the whole country' (Miliband 2006).

Since 1997 the policy agenda has been dominated by old and new problems (for example BSE and avian influenza), recurring issues (the stagnation of agricultural incomes), the pursuit of longstanding policy commitments at the international level (radical reform of the Common Agricultural Policy and greater liberalization of world trade), and organizational reform (the creation of DEFRA and the impact of devolution). The agriculture sector also highlights central themes in the New Labour approach to the modernization of the policy process, encapsulated in a 1999 Cabinet Office Report that set out nine core principles of modern policy making such as joined-up governance, evidence-based policy, learning from experience and other countries, and consultation with stakeholders.

Agricultural crisis and policy development

Policy development has been framed by the economic importance of the agri-food sector generally, which in 2004 accounted for 7.6 per cent of the total value of the UK economy and provided nearly 3.8 million jobs, 14 per cent of employment (see DEFRA/SEERAD/DECP/DARD 2005). However the agricultural industry itself

now accounts for less than one per cent of the economy and just 1.8 per cent of total employment, although there are important variations between territories and between production sectors. For example, agriculture's share of employment was highest in Northern Ireland at 6.3 per cent, 2.7 per cent in Scotland and 1.4 per cent in England and Wales.

Crucially for New Labour, its election coincided with the onset of a period of severe recession in the agricultural economy, leading to a substantial reduction and then stagnation in farming incomes, which reached their lowest level in real terms for seventy-five years. Total income from farming in the UK in 2005 was estimated at £2.5 billion and while this was 40 per cent above the nadir reached in 2000, it was still 60 per cent below the 1995 highpoint for farming profitability and represented a fall back from a brief recovery in 2003. Such severe fluctuations reflected the volatility of the euro/sterling exchange rate, world commodity and oil prices, and the impact of market shocks caused by BSE and FMD. The dramatic fall in farm incomes in the late 1990s contributed directly to a perception, certainly among the agricultural community, that the countryside was in crisis (Greer 2003). Concern about the state of agriculture was a central driver in periodic protests by farmers from the winter of 1997/8 onwards, and also helped to foment a general discontent that later fed into the fuel blockades of 2000 and the countryside marches in 1997, 1998 and 2002.

In response, government policy combined emergency measures with more long-term planning and strategic action that involved the search for a 'new vision' for farming (Greer 2005, 2003). The approach was encapsulated in a series of initiatives and documents such as *A New Direction for Agriculture* (December 1999), the *Action Plan for Farming* launched by the Prime Minister in March 2000, and the 2002 *Strategy for Sustainable Farming and Food*. Emergency packages of support measures also were provided. As noted by the House of Commons Environment Committee, 'much of recent domestic agricultural policy has been formulated in response to the need to "fire-fight" farming crises. The result has been a welter of ad hoc packages intended to support the industry' (House of Commons Environment Committee 2002: 48). In September 1999 for example the government announced emergency aid for livestock producers worth £537 million, followed six months later by another £200 million in the *Action Plan for Farming*.

Such emergency measures were designed to stabilize the industry until the strategic responses could begin to work. Long-term policy development has been

underpinned by the basic belief that agriculture needs to become more competitive, diverse, modern and sustainable, with the state working in partnership with the industry to help farmers make their businesses more resilient, more efficient and more responsive to the market. In the farming chapter of its five-year departmental strategy published in 2004 for example, DEFRA noted progress in reforming the CAP and launching a new approach to animal health. Targets for the future included further trade liberalization and CAP reform, promoting environmental stewardship, ending the ban on beef exports, implementing the single payment scheme and delivering a new strategy for farming regulation (DEFRA 2004).

Much of the work of DEFRA was presented as a continuation of existing interventions, especially the 2002 *Strategy for Sustainable Farming and Food*, which became the central driver of policy after the FMD crisis. The *Strategy* incorporated many of the 105 recommendations made in the report of the *Policy Commission on the Future of Farming and Food* (the Curry Report), appointed in August 2001 as part of the response to the foot and mouth outbreak (Greer 2003: 532-3). Its central themes were sustainable development and 'reconnection'. So the key objective for public policy should be to 'reconnect our food and farming industry: to reconnect farming with its market and the rest of the food chain; to reconnect the food chain and the countryside; and to reconnect consumers with what they eat and how it is produced' (Policy Commission 2002: 6). Drawing on this approach, the over-arching aim that guided policy was 'to promote a competitive and efficient farming and food sector which protects and enhances our countryside and wider environment, and contributes to the health and prosperity of all our communities' (DEFRA 2002: 49). Specific interventions that contributed to delivery included the implementation of CAP reform, and action in the areas of animal disease, environmental sustainability, and rural development.

To carry forward the strategy, the 2002 Spending Review provided £500 million over a three-year period, allocated to measures for environmental sustainability, improving marketing, promoting training, and developing speciality foods. Funded under 'pillar II' of the CAP, the England Rural Development Plan 2000-06 also was regarded as a key element in delivering the multifunctional strategy, supporting agri-environment measures and the organic sector, diversification (including energy crops), and encouraging other alternative sources of income in rural areas (see Greer 2005: 153-61). For example, the Curry report recommended a basic 'broad but

shallow' scheme that would bring more farmers into the remit of agri-environment measures. Accordingly the Environmental Stewardship scheme introduced in 2005 (replacing Environmentally Sensitive Areas and other stewardship schemes) was structured on two levels: Entry Level for new entrants and Higher Level for more advanced management of high-priority landscapes and habitats. The Environmental Stewardship scheme will remain at the heart of the new Rural Development Programme for 2007-2013, along with enhanced efforts to make farming and the food chain more competitive and sustainable.

Other 'daughter strategies' included important new frameworks such as the Food Industry Sustainability Strategy, the Animal Health and Welfare Strategy for England, and the Farm Regulation and Charging Strategy (DEFRA 2006). A recurring theme has been the nature of the regulatory framework for agriculture. Policy documents such as the *Action Plan for Farming* have included commitments to root out 'unnecessary' regulation, reflecting complaints from farmers about form filling, inspections, and what they term the 'gold-plating' regulations (imposing standards higher than the minimum set down at the EU level). So David Miliband outlined his 'simple' approach: 'if the NFU or anyone else makes a serious and well-founded complaint about a regulation, we will justify it, reform it, or ditch it' (Miliband 2006).

In its 2004 strategy document, and its Farm Regulation and Charging Strategy (*Partners for Success*) launched in November 2005, DEFRA set out a commitment to use non-regulatory instruments wherever possible, improve the efficiency and effectiveness of regulation where needed, and to make it more 'customer focused'. A target was set for a 25 per cent reduction in red tape by 2009 and a new 'whole-farm' approach was intended to provide more integrated delivery of regulation and advice, reducing burdens from form filling and overlapping inspections. A central theme of the strategy was 'burden-sharing' - collaboration between the state and the farmers to find new ways to share the responsibilities and costs of intervention, for example in tackling animal disease. So policy development on bovine Tb needed to develop a clearer understanding of the costs and benefits involved, considered in the context of 'wider Government policy on regulation and charging in agriculture and assessment of the cumulative burdens on the farming industry' (DEFRA/SA/WAG 2005: 15). It also was envisaged that the introduction of the CAP single payment scheme (see below) would contribute to a substantial reduction in the administrative burden on farmers.

Following a review of its approach, in July 2006 the government published its *Sustainable Farming and Food: Forward Look* document, which concluded that the sustainable farming strategy remained a 'robust vehicle for change'. Although there had been important changes in the policy context, especially on CAP reform, 'both the broad direction of the strategy, and the need for an effective partnership between Government and industry to drive forward delivery remain as valid today as when the Strategy was first published' (DEFRA 2006: 10). Five closely inter-related priority themes - said to reflect the inter-dependence of the economic, social and environmental pillars of sustainability - were identified: 'succeeding in the market', 'improving the environmental performance of farming', 'sustainable consumption and production', 'animal health and welfare', and 'climate change and agriculture'.

While increasing global competition, further CAP reform, and changes in prices of outputs and inputs remained the major drivers for change, a crucial shift, at least in terms of rhetoric, was the much greater emphasis on the importance of climate change. In a personal minute to David Miliband on his appointment, in which he set out the key challenges facing DEFRA, Tony Blair identified climate change as 'the greatest long-term threat facing the world today' (Blair 2006). So because farmers are in the front line of climate change (with the potential for more frequent storms, heat stress, and increased risk of pests and disease) they must play their full part in addressing it, for example through land management to reduce emissions of greenhouse gases, reducing food miles, and increasing production of bioenergy and other non-food crops. Based on estimates that the farming sector contributes about seven per cent of the UK greenhouse gas emissions, DEFRA put increasing emphasis on the need to reduce the 'significant environmental footprint of the farming and food sector'. In the official rhetoric, the idea that agriculture must not take out more from the planet than it gives back has been dubbed 'One Planet Farming'. As elaborated by Miliband, this presents a vision of a 'farming that reflects the need for us to live within the means of the planet, and farming which helps us live within the needs of the planet'. To cut the ecological footprint we need 'one planet farming as well as one planet living - one planet farming which minimises the impact on the environment of patterns of food production and consumption, and farming which maximises its contribution to renewal of the natural environment'. So 'one planet farming means respecting the limits of our natural resources, and nurturing them' (Miliband 2006).

CAP reform and the liberalization of world trade

The major policy objectives of 'new' Labour governments after 1997 exhibited a high degree of continuity from previous administrations, especially the fundamental commitment to CAP reform and the liberalization of world trade. Here the self-perception of the government is that it has 'been in the vanguard of those pressing for ambitious liberalisation in both CAP and WTO negotiations' (House of Commons Environment Committee 2003b: 5). A joint Treasury/DEFRA paper, *A Vision for the Common Agricultural Policy*, published in December 2005, set out a long-term vision for agricultural policies that

better protect the environment, more effectively support those most in need, and promote more broad-based sustainable economic development in rural areas. They seek to reduce the costs of protectionism on developing countries and promote the expansion of world trade. And in so doing, they help ensure Europe can meet the challenges of globalisation in the decades ahead (H. M. Treasury and DEFRA, 2005).

As holder of the Presidencies of the G8 and the European Council in 2005, the UK government was particularly vocal in its support for progress in the *Doha Development Agenda* trade round launched in November 2001. However progress since then has been described, perhaps generously, as 'intermittent and limited' (House of Commons International Development Committee 2006: 7). Although an interim agreement was reached in July 2004, the Doha Round has been characterized by stalemate and a series of missed 'deadlines', with the original target for the completion of negotiations by January 2005 extended several times. A new deadline of 30 April 2006 was not met, and last-ditch efforts to resuscitate it in July 2006 again failed, leaving the sickly process on the verge of final collapse. Indeed with growing resigned acceptance that the Doha round had failed, and agreement unlikely before the fast-track authority of the US President expired in July 2007, attention turned increasingly to developing alternative regional and bilateral trade agreements.

Agreement on agriculture, especially between the EU and the US, was widely regarded as the key to progress within the Doha Round. However core disagreements about export subsidies, market access and trade distorting agricultural support policies could not be easily resolved. The EU approach was basically conservative, emphasizing market liberalization within the framework of

the 'European model of agriculture' (or multifunctionality). Leading up to the Sixth WTO Ministerial Conference in Hong Kong in December 2005, the EU Trade commissioner, Peter Mandelson, tried to unblock the impasse by offering more concessions - which he described as at the 'outer limits' of his mandate. However this caused considerable controversy among member states, many of which did not share the British preference for substantial liberalization. Indeed France (with the backing of Ireland and Italy), argued that his offer went beyond the limits of the mandate, and President Chirac threatened to veto any deal that undermined the 2003 CAP reforms.

For many in the UK policy and political elites, the solution to the problem was simple: the EU should 'improve its offer in agriculture. Greater market access is the key to unlocking the round for developing countries' (House of Commons International Development Committee 2006: 3). The International Development Committee also detected a sense that with its ambitious agenda for the Doha round the UK government found itself 'isolated and unable to move the EU position towards its own' (House of Commons International Development Committee 2006: 11). However while it was 'willing to support more being offered on agriculture', the government noted that the European Commission had to strike a balance between the views of all 25 member states, the majority of which were 'unwilling for the Commission to offer anything more on agriculture, until other WTO members make offers on agricultural domestic support and industrial goods' (House of Commons International Development Committee 2006b: 6)

The difficulties in securing agreement in the Doha Round were closely linked to debates about the reform of the CAP - another long-standing policy preference of British governments and a core priority for New Labour. For example *Forward Look* set ambitions for the medium-term that included further reform of the CAP, full decoupling of subsidy from production, phasing out of market price support, more funding switched from production support to rural development, removal of market distortions such as production quotas, and the end to export subsidies. These objectives envisaged building further on the existing lines of CAP reform. The Berlin summit in March 1999 agreed a package of incremental agricultural reform as part of the Agenda 2000 project (Ackrill 2000, Galloway 1999).

However the main importance of the Berlin agreement lay in a seemingly innocuous commitment to conduct a mid-term review (MTR) of progress. This

eventually led to the Luxembourg Agreement agreed by the Agriculture Council on 26 June 2003, arguably the most radical changes to the CAP since the MacSharry reform in 1992. The central elements of the Luxembourg deal were the 'decoupling' of subsidies from production and the introduction of a Single Payment Scheme (SPS) that replaced most of the plethora of direct payments under different commodity regimes, and was linked directly to cross compliance with basic mandatory environmental, food safety and animal welfare standards. Increases in the agricultural budget up to 2013 are limited by an overall expenditure ceiling limited, and within this framework increased funds would be made available for rural development, environmental, animal welfare and other programmes under the second pillar (achieved by compulsory reductions in direct payments, or *modulation*).

For the British government the 2003 reforms were a substantial step in the right direction, and embodied many of its long-standing preferences in both policy objectives and mechanisms. Indeed decoupling subsidies from production in order to encourage the farming industry to move closer to the market was a core recommendation of the Curry Report. In a statement to the House of Commons, Margaret Beckett claimed that in the negotiations the UK had 'got everything we went for, practically. If you look back and think about things that people were saying we wanted to have the opportunity to do in the UK, there is remarkably little missing from that list' (House of Commons Debates, 26 June 2003).

Yet this does sit uneasily with the government's insistence on more radical reform and the reality that progress was heavily constrained by intergovernmental bargaining at the EU level. Although the UK made further progress on agricultural policy reform one of its key aims for its EU presidency in the second half of 2005, the European summits in June and December were beset by severe disputes over the EU budget for 2007-2013, the British rebate and the future of the CAP. After much heated discussion at the December Council the 'red-line' British demand for a 'meaningful' review of farm expenditure before 2013 was watered down in the interests of getting agreement on the budget. On the other hand the government insisted that the extra money provided through a reduction in the rebate would not fund expenditure on agriculture. It also took solace in an agreement that the Commission should undertake a full, wide ranging review of all aspects of EU spending, including the CAP, in 2008.

Considerable scope for national discretion was embodied in the Luxembourg Agreement. Countries were given flexibility in a wide range of areas relating to the extent of decoupling (full or partial) and the application of the single payment. In the UK, a 'national' decision was taken to implement full decoupling from the earliest possible date (an option was to delay implementation for up to two years), and in January 2005 the Single Payment Scheme replaced eleven separate production subsidies. For the application of the single payment in England (totalling around £1,515 million) DEFRA adopted a 'dynamic hybrid' model in which flat rate area-based payments would be phased in by 2012. Although most farmers preferred the alternative 'historic payments' approach (in which receipts are based on subsidies received during 2000-02), this decision was justified because it was best suited to giving farmers greater freedom to respond to market demands. It also better rewarded environmentally friendly farming practices, and would avoid a situation in the long term where individuals might be paid for something they no longer produced.

The introduction of the single payment in England became one of the most publicly visible policy failures of the New Labour government in the agricultural sector, producing loud public and parliamentary criticism that led to the removal of the Chief Executive of the Rural Payments Agency (RPA) in March 2006. The simple root of the fiasco was the inability of the RPA to pay farmers their money on time. So by the end of March 2006 it had disbursed only 15 per cent of the single payment funds to just 27 per cent of claimants, set against a basic target that 96 per cent of payments would be made by this date. By invoking a partial payments contingency plan, the RPA managed to disburse 95 per cent of funding by the deadline of the end of June 2006 (against an EU requirement for 96.14 per cent), although over 8,000 farmers (seven per cent) still had not received any money (NAO 2006). In the face of the criticism, DEFRA resorted to sticking plasters, announcing that it would reimburse farmers for lost interest and giving the farming help charities - Farm Crisis Network and the Rural Stress Information Network - an additional £115,000 to help farmers deal with stress.

A report by the National Audit Office (NAO) concluded that the implementation shambles had caused distress and anxiety to a 'significant minority' of farmers, cost them money in additional interest and bank charges, and undermined the farming industry's confidence in the RPA. The problems with the scheme had emanated from

a combination of several factors: the high risk nature of the project, the complexity of the scheme, the development of a new IT system, and a relatively short delivery timescale. Moreover matters were made worse by the concurrent re-organisation of the RPA that aimed to reduce staff by 1,800 and make efficiency savings of £164 million by 2008-09. Far from making the savings envisaged, the mess over the single payment actually increased costs, for example through the recruitment of extra agency staff without the experience and knowledge of those who had left. The NAO also concluded that DEFRA allowed the RPA 'too much discretion and independence in implementing the single payment scheme given the potential liability it faced and the consequent risks to its reputation' (NAO 2006: 8).

It was not as if the government had not been forewarned. In a report in May 2004 the Environment Committee had expressed concern about the administrative capacity of the RPA, noting its ongoing reorganization, past problems with IT systems and data management, and delays in making payments. While DEFRA acknowledged the size of the task, ministers argued that the new system was actually less complex than those it replaced and expressed cautious confidence in the ability of the RPA to deliver (House of Commons Environment Committee 2004). In a subsequent interim report on the RPA in January 2006, the Committee complained that the government had taken little notice of its previous warnings and pronounced itself 'dismayed at the complacency of the Minister, who refused to admit that any mistakes had been made or that anything could have been done differently to avoid the problems' (House of Commons Environment Committee 2006b: 7). The Committee also was 'deeply unimpressed' by the failure to plan properly for the administration of the scheme, and concluded that DEFRA gave 'insufficient consideration to the administrative complexity of the chosen model' and should have considered postponing implementation until 2006 to allow more time for preparation (2006b: 4). Neither could DEFRA fall back on the complexity of the system as an excuse because the implementation of a similar system in Germany, although also not without problems, had allowed a higher proportion of payments to be made (NAO 2006).

Animal disease and risk management

The Foot and Mouth epidemic may have crystallized the weaknesses at the heart of the approach of British governments to tackling animal diseases but it was an earlier

disease policy fiasco that initially preoccupied the new Labour government. In December 1997 one of its first acts in the agricultural sector was to announce the creation of a committee of inquiry to review the emergence of and response to bovine spongiform encephalopathy (BSE) in the decade since its discovery in 1986 (Greer 1999). The Phillips Inquiry began its work in January 1998 and its findings, published in a massive report in October 2000, provide a comprehensive account of the episode, including the lessons to be learned for public administration and policy making.

Governments after 1997 also continued to work towards key reforms in several thorny aspects of BSE policy. A crucial priority was to remove the EU ban on beef and cattle exports introduced in March 1996. Progress was largely incremental and the result of continuous intensive negotiation with the EU Commission and other member countries. In March 1998 export of beef from Northern Ireland under the Export Certified Herd Scheme was approved, and in August 1999 the introduction of a Date-based Export Scheme (DBES) allowed limited exports of UK beef subject to stringent conditions, although the French government continued to maintain a ban until legal action taken against it by the European Court of Justice in 2001 eventually secured compliance. A harmonized approach to BSE throughout the EU was formalized in the 2001 regulation on transmissible spongiform encephalopathies (TSE) [(EC) No 999/2001]. Implemented in the UK during 2002 this laid down rules for the prevention, control and eradication of TSE's and incorporated principles of traceability, inspection and surveillance.

More important were the efforts to secure the complete removal of the EU export ban. Two key preconditions set by the EU Commission in its TSE Road Map were recognition that the British cattle herd was 'moderate' risk status for BSE (confirmed in an opinion of the European Food Safety Authority in March 2005) and a satisfactory report on the UK's BSE controls by the EU Food and Veterinary Office (delivered in September 2005). With both major preconditions met the government introduced a new BSE testing regime in autumn 2005 to replace the 'Over Thirty Month' (OTM) scheme (introduced in 1996 to prevent cattle aged over thirty months from entering the food or feed chains). This was accompanied in January 2006 by the introduction of a transitional Older Cattle Disposal Scheme for cattle born before August 1996, officially described as 'an exceptional market support measure' that would last until the end of 2008. Finally, in March 2006, EU member states in the Standing Committee for the Food Chain and Animal Health unanimously approved

a Commission proposal to lift the ten-year ban on the export of cattle and bovine products from the UK, applicable from 2 May 2006 (excluding those born before August 1996). Accordingly the Date Based Export Scheme (DBES) and the Export Approved Scheme (XAP) were wound up and controls were harmonized with other EU countries.

As an overarching framework, the Animal Health and Welfare Strategy for Great Britain (a separate strategy for Northern Ireland was prepared in the context of the development of an all-Ireland animal welfare plan) was launched in 2003. This covered the variety of highly visible risks, including bovine tuberculosis in cattle (bTB) and Avian Influenza, both of which had (potentially) serious economic consequences for farmers and the agricultural industry. For example bTB was estimated to have cost the taxpayer £90.5 million in 2004 and was officially regarded as one of the most difficult animal health issues faced by farmers. A five-point plan introduced in 1998, following the report of an independent scientific review group chaired by Sir John Krebs, recommended improved research, regular testing, and a scientific trial on the effects of culling badgers (the Randomised Badger Culling Trial, conducted between 1998 and 2006). In the light of emerging evidence from the trial, and the failure of the five-point plan to halt the spread of the disease, a review of strategy was announced at the annual general meeting of the National Farmers' Union (NFU) in 2003. This was followed by separate consultation exercises in England, Scotland and Wales (2004), with a new jointly agreed ten-year strategy document published in March 2005. This set out a ten-year vision for the control of bTB that incorporated policy mechanisms, decision-making processes and partnership between state and stakeholders (DEFRA/SE/WAG 2005). In December 2005 the government announced further measures to tackle bTB in England, including a comprehensive cattle testing system and the creation of a new independent stakeholder advisory group. The most controversial element, which saw farmers at loggerheads with the animal welfare lobby, was the unresolved issue of culling of badgers, which was to be the subject of an extensive public consultation (see below).

Avian influenza (especially the highly pathogenic sub-type H5N1 - or 'bird flu' in the media jargon) emerged as a major issue on the government's policy agenda from late 2003 when cases were confirmed in several Asian countries. Particular concern centred on the potential disaster for the British poultry industry should bird 'flu

reach the UK. As avian flu gradually spread into Europe policy focused both on prevention and on how to tackle any outbreak. For example DEFRA did not regard the introduction of a general ban on keeping poultry outdoors as justified by its risk assessment or as a proportionate response, because bringing large numbers of free range birds indoors would itself create a significant welfare problem. Action focused on the need for intensified surveillance, maintenance of effective control of imports, and national biosecurity measures, including guidance to farmers. Increasing concern about avian flu at the highest levels of government was highlighted in October 2005 when the Prime Minister joined with the NFU to launch a central register of commercial poultry keepers, coordinated by DEFRA, the Scottish Executive and the Welsh Assembly Government. Any outbreaks would be tackled through early detection and slaughter of infected birds, and the imposition of movement controls. As a result of a review of existing contingency plans in July 2006 DEFRA also decided, on the advice of the Chief Veterinary Officer, to stockpile ten million doses of vaccine as a precautionary measure. In April 2006 the efforts put into contingency planning had their first tests when strains of avian flu were detected in a swan found dead in Scotland, and subsequently in a poultry farm in Norfolk. However these were isolated outbreaks and had minimal impact on both the agricultural sector and public health.

Modernization, policy delivery and stakeholder interaction

The agriculture sector highlights central themes in the New Labour approach to the modernization of the policy process, especially ideas about the 'principles of good policy-making' such as joined-up governance, evidence-based policy, learning from experience and other countries (policy transfer), and consultation with stakeholders (Cabinet Office 1999).

Joined-up governance

Considerations about joined-up governance and more effective policy implementation informed institutional innovation and reorganization. Most obviously the creation of DEFRA to replace the Ministry of Agriculture, Fisheries and Food was designed to produce 'joined-up' thinking and actions rather than perpetuate 'traditional "silos" of policy and practice' (DEFRA 2001b: 4). The search for effective and efficient policy delivery also underpinned the formation of the Food

Standards Agency in 2000 and the reorganization of DEFRA's agencies into a smaller number of bodies with clearer and more accountable roles, including the launch of Natural England in October 2006 as an integrated countryside and land management agency.

Devolution also placed increased importance on policy coordination and joined-up governance, given that on broad swathes of policy DEFRA effectively is responsible for England alone. The new realities of territorial devolution were reflected in the formulation of separate 'visions' and strategic plans in Scotland, Wales and Northern Ireland as counterparts to that of the Policy Commission in England: *A Forward Strategy for Scottish Agriculture*, the Welsh Assembly's *Farming For The Future*, and the Northern Ireland *Vision* exercise (Greer 2005). Four separate Rural Development Plans also were drawn up and there was considerable variation in the application of the single payment with each territory opting for a different approach (historic payments in Scotland and Wales, a 'static hybrid' in Northern Ireland).

Also important is increasing emphasis by DEFRA on regional flexibility within England itself. Effective regional and local delivery through partnership working was viewed as essential to the success of interventions such as the bovine TB strategy, the Rural Development Plan and the *Strategy for Sustainable Farming*, which involved the Government Offices and Regional Development Agencies in the development of action plans (DEFRA 2006: 44).

Consultation and partnership

Another central theme of the policy approach of New Labour has been the emphasis on consultation and partnership with a wide range of interested stakeholders. As noted in a report by the House of Commons Science and Technology Committee, formal consultations 'are now an established part of the policy making process and have been widely welcomed as a means of promoting public engagement in the political process and in producing more informed and better policy' (2006: 66). In a broad sense, the commitment to multifunctionality requires going beyond the traditionally narrow corporatist relationship with producer organizations (such as the NFU) to develop cooperation with a much wider range of interests including retailers, environmentalists and consumers. The government's response to the BSE Inquiry also emphasized that consultation and openness, especially on issues of risk,

should be a first step towards the greater involvement of stakeholders and the wider public in policy development and decision-making.

In its approach to bovine TB for example, especially with regard to the highly emotive issue of badger culling, DEFRA tried to manage a difficult issue through a transparent and open consultation process that it hoped would generate a better understanding of public opinion. So a consultation exercise on badger culling conducted between December 2005 and March 2006 was designed to involve the wider public in the decision process on both the principle and the delivery options. Moreover although the policy agenda was heavily influenced by farmers' campaign for urgent action, the government believed it essential that 'appropriate weight and balance' be given to contending stakeholder views and pointed to the 'important role' of animal welfare and wildlife groups in developing bTB policies (DEFRA/SA/WAG 2005: 29).

This preference for more open consultation on policy formulation is closely linked to the belief that collaboration and constructive 'partnership' between stakeholders and the state is central to effective policy implementation and delivery. At the root of this is a recognition that successful policy delivery often depends on voluntary behavioural change, especially in a sector where there is significant resistance to new ways of doing things. For the government this places a high premium on developing collaborative working that is based on a shared understanding and ownership of objectives. So a new relationship between industry and government envisaged by the Policy Commission formed the basis of the *Strategy for Sustainable Farming and Food*. In a sector 'made up of many thousands of small and medium-sized businesses' the government and industry 'need to work together in partnership, at a national and regional level, to deliver the leadership and the policy framework required to enable change to be realised' (DEFRA 2006: 10). Similarly the bovine TB strategy aimed to 'improve stakeholder buy-in, encourage a shared vision and ownership of the problems, and develop clear governance arrangements' (DEFRA/SA/WAG 2005: 15).

Central to this approach is the understanding that while continuing regulation is inevitable, of equal importance is the promotion of capacity building, strategic oversight, leadership, benchmarking and 'the spread of good practice up and down the food chain as ways of raising performance' (DEFRA 2006: 9). Established forms of interaction such as advisory and stakeholder groups play a key role. Between 2002-

06 for example Sir Don Curry chaired a ten member independent Implementation Group to drive forward the *Strategy for Sustainable Farming and Food* which viewed its role as 'a combination of challenge and facilitation. Through our meetings together and with officials and industry representatives we have provided strategic oversight, driven and facilitated delivery and provided stakeholder perspectives and external championship' (SFSS 2006: 3). DEFRA can even envisage such groups taking potentially important decisions. For example in 2006 a small bovine TB stakeholder group was established to advise on policy development and delivery but in the longer term, DEFRA envisaged this group becoming a decision-making body, 'where shared decisions or those not requiring Ministerial involvement can properly be taken' (DEFRA/SA/WAG 2005: 33).

However consultation is not without its problems, and cannot replace the need for governments to take difficult decisions. The consultation on badger culling for example generated nearly 50,000 responses of which 70 per cent were received from public campaigns run by wildlife and farming groups. In numerical terms the vast majority of responses opposed badger culling but opinion amongst stakeholders and in lengthy 'substantive' public responses was more evenly divided (DEFRA/PKF 2006). But there also was some strong criticism of the quality of the consultation document, for example that it did not identify all of the relevant questions and also that DEFRA had not conducted adequate pre-consultation soundings of scientific experts (House of Commons Environment Committee 2006). This reflected unease that government was biased in favour of a particular outcome, using the consultation to manage acceptance of its preferred decision. For some it also illustrated the dangers involved in using consultations as an indicator of public opinion, not least because respondents are self-selecting and the approach favours well-organised campaigns by pressure groups (Science and Technology Committee 2006: 68).

In general terms the Science and Technology Committee noted that consultations play a very useful role 'in improving not only transparency but the quality of policy making'. However it voiced several concerns about 'consultation fatigue' and 'growing doubts surrounding the link between consultation and the content of policy'. Indeed 'early engagement with the right stakeholders may be more important on occasion than full-blooded public consultation' (2006: 72). So while public consultations are good practice and often valuable, there are not always essential, especially in policy areas where the 'options are reasonably clear, the

arguments have been well rehearsed in public, and both scientific views and public opinion are well documented' (2006: 69-70).

Evidence-based policy and policy learning

Such criticisms highlight the tension between democratic considerations, based in wide consultation to gauge opinions, and narrow technocratic approaches to policy making that focus on scientific evidence and the advice of experts. As well as open consultation, New Labour has grounded its policy approach in the assumption that better policy making involves a rational assessment of evidence and learning from other countries. For the government 'evidence-based' policymaking has its roots in its 'commitment to "what works" over ideologically driven policy, and in the Modernising Government agenda' (Science and Technology Committee 2006: 10).

Evidence-based policy has been viewed as especially crucial in the handling of animal disease and welfare issues such as BSE and avian flu where scientific expertise is vital to the effective management of risk. Influenced by the recommendations of the BSE enquiry, the government reformed the arrangements for embedding scientific advice into the policy process. Within DEFRA for example a Science Advisory Council (SAC) was created in February 2004 to give expert and independent advice on the science underpinning policy development. Indeed DEFRA is 'frequently cited as an exemplar of good practice in terms of its scientific advisory system' (House of Commons Science and Technology Committee 2006: 35).

Much of the approach to bovine TB has been based in a commitment to obtaining the best available scientific evidence, using for example the Independent Scientific Group established in 1998 and a sub-group of the SAC. This approach also involves the use of scientific trials and pilot schemes, such as those conducted on GM crops. In policy transfer and lesson drawing the government also paid close attention to the progress of scientific trials on badger culling conducted in Ireland, as well as those it sponsored itself. On the other hand the Environment Committee criticized DEFRA and the RPA for a failure to pilot elements of its approach to the single payment scheme, notably the land registration system.

The problem with evidence-based policy is that a rational-technocratic approach is not value-free, and cannot remove political considerations from decision-making. On badger culling for example the government clearly recognised that while scientific advice can inform better policy making, scientific certainty and consensus 'are not

always achievable' and it is necessary to 'find the means of interpreting science where there is conflicting advice' (DEFRA/SA/WAG 2005: 29). So in considering the evidence on badger culling it was necessary to take account of costs, practicality of delivery, conservation implications and wider public opinion as well as assessing the scientific merits of options. As Miliband made clear, any decision on badger culling 'needs the backing of scientific, practical, financial and organisational logic that has the confidence of farmers and animal welfare organisations. They may not agree on the outcome, but there has to be shared understanding of the facts' (Miliband 2006).

There has been some criticism of 'evidence-based policy', indicating an unease that the concept has been used by New Labour as an ideological construct to help justify essentially political decisions. The Environment Committee noted that while DEFRA 'prides itself' on its commitment to evidence-based policymaking, it was forced to conclude that the decision about the Single Payment Scheme 'was based on pragmatism and political expediency' (2004: 9). In the Science and Technology committee's enquiry, several witnesses questioned the very notion of evidence based policymaking and in its report the Committee argued that government 'should not overplay this mantra, but should acknowledge more openly the many drivers of policy making, as well as any gaps in the relevant research base' (2006: 3)

What is 'new' about New Labour?

The agricultural policy of 'new' Labour governments since 1997 has been characterized by consistency in major policy objectives from previous governments, especially on the reform of the CAP and the preference for substantial trade liberalization. Other core priorities such as the development of the *Strategy for Sustainable Farming and Food* and the approach to animal disease also do not generate much political heat in terms of general aims and objectives. There is broad consensus on the basic aim to encourage the development of a viable agricultural industry that can compete on the world market without production support which also is consumer-friendly and environmentally and socially sustainable. The rhetoric of 'one planet farming' also perhaps highlights a continuing increase in concern for environmental sustainability rather than the unbridled primacy of the market.

What New Labour really wanted to establish was a reputation for efficient and effective delivery of services – summed up in the Blairite mantras 'delivery, delivery, delivery', and 'what is best is what works'. This critically placed the core focus on the

modernization of the policy *process* rather than any major political differentiation on objectives and outcomes. For example the government portrayed the work of the Phillips Inquiry into BSE, and its response to it, as a notable instance of lesson drawing and policy learning, favourably contrasting its preference for joined-up government and evidence-based policy with the muddle of the previous Conservative administrations.

So it is unfortunate for New Labour that major advances in some crucial policy areas – notably the 2003 reforms of the CAP – have been overshadowed by disasters in implementation. In the joint foreword to DEFRA's five year strategy, Tony Blair and Margaret Beckett claimed that the government had 'achieved what has eluded all previous Governments' – delivering radical reform of the CAP. They also boldly asserted that the government would 'deliver on a fundamentally new relationship with farming – replacing the complexities of the CAP with a new streamlined approach summed up as "one form, one date, one payment and one face from Government"' (DEFRA 2004: 7-8).

Yet despite the rhetoric, the government has been unable to implement this approach successfully, summed up in the disaster of the single payment. More crucially this has a wider impact on other policies, especially in the context of the attempt to build a new partnership between the state and stakeholders in both policy formulation and implementation. Commenting on budget cuts imposed by DEFRA, an editorial in the Guardian noted for example that 'the economic consequences of the single farm payment disaster may do visible damage to the British countryside and undermine projects designed to make a vital contribution to the restoration of natural environments in the cities' (The Guardian, 21 October 2006). The NAO also detected a feeling among stakeholders and representative bodies that the 'breakdown in trust' on the single payment had deterred farmers from participating in other government initiatives, such as the environmental stewardship schemes. Indeed as David Miliband acknowledged in his speech to the RAS, the delivery of the basic services such as the single farm payment was crucial because farmers' 'will not be confident partners of us in ambitious projects if we do not deliver on the day-to-day necessities'. Yet in the end the ability of new Labour to deliver on its pledges in agricultural policy was not substantially helped by its efforts to modernize the policy process. As one commentator noted, the single payment issue was a 'monumental mess that bears all the hallmarks of New Labour's style of government:

over-centralisation, inflated expectations of IT, ruthless job cuts, overpaid senior executives', added to an 'impatient ambition and a refusal to listen to anything they didn't want to hear'. It was 'a textbook case of how politicians and Whitehall, seduced by the dream of total microscopic control on their computer screens, fell in love with management theory - the snake oil of consultants - and used taxpayers' money to impose their fantasy solutions on long-suffering civil servants and farmers' (Madeleine Bunting, 'The Yorkshire moors is the place to learn about our new foreign secretary', *The Guardian*, 8 May 2006).

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