

Sustainability auditing: a tool for governing wine production in New Zealand?

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Abstract

With a twenty year history of sustainability program and more than 94% of the winegrowing area certified 'Sustainable Winegrowing New Zealand', "Organic" or "Biodynamic", the NZ wine industry is becoming an exemplary case of sustainable wine production. This paper discusses the history of the NZ wine industry over the past 20 years to trace the ways that the sustainable narratives used by the industry have influenced environmental governance. By creating a premium market for a rapidly growing wine sector, the 'Sustainable Winegrowing New Zealand' program grounded its environmentalism in markets through branding while also coordinating wine production practice through associated auditing. The historical development of the program suggests that this was achieved through the wholesale industry adoption of what had been a voluntary program. As a result of this unique history, growers and winemakers relate to this sustainability program as being both governing in a regulatory sense and market-motivated. The results have implications for considering how collective market strategies paired with sustainability assessments may create a new kind of governance mechanism that sits across economic and social spheres. We discuss this mechanism in the context of neoliberalism and post-neoliberalism.

1. Introduction

A transition to more sustainable farming requires more than better decision making on an individual level—it requires broad changes to the infrastructures that shape the production and distribution of food. Economic incentives encourage a focus on short term outcomes among farmers, who face tight competition with the specter of immediate foreclosure, which can divert attention away from long term stability and resilience. Moreover, while sustainability asks people to equally balance economic, social and environmental consequences of their activities, there is a systemic imperative to prioritize profits above social and environmental wellbeing (Worster 1993; Rogers 2000; see also Lamberton 2005). In short, the market has tended to be associated with a negative impact on environmental sustainability, and this relationship is increasing. Work on neoliberalism would suggest that tying environmental behaviours to market demand leads to a type of environmental individualism, and sustainable practice only when there is a market advantage. In light of these pressures, significant measures are necessary to ensure that people are engaging in socially and environmentally sound practice, particularly when sustainability can seem like a catch-phrase to simply appease the concerned public and enable the economy to follow business as usual (Worster 1993).

The economic incentives to prioritize profits are one side feeding sustainability inertia. While policies and tools that encourage socially and environmentally sound practice can be introduced, the transition to more sustainable practice can stagnate if there is no social momentum. In fact, even if barriers to sustainability can be technical, cognitive or economic (Meynard et al., 2013; Rodriguez et al., 2008), the most anchored obstacles are sociological. Tensions with farmer' own identity (Madelrieux and Alavoine-Mornas, 2012), not wanting to be the first to change, resistance to change from peers or older generation (Rodriguez et al., 2008), difficulty in changing to a unknown and less developed network (Voisin et al., 2014) are few examples. Aligning good social and environmental practice with economic benefits is one way that these barriers can be overcome, but it is no small task.

A shift towards more sustainable farming within our economic system means that either (1) all businesses have to be subject to environmental standards that negate any competitive disadvantages, or (2) the environmental and social effects of practices need to be incorporated into the economy. The former approach can be considered more top-down, and relies on the state and the public to provide funds: we call it regulatory. The other can be considered more bottom up, and are market-based as they requires consumers to be willing to pay more for goods produced under better circumstances: we call it voluntary. The benefits of regulatory programs are that they raise the performance bar for everyone, and diffuse some of the burden of sustainability to the public whose taxes often fund the programs and who benefit from better environmental and social practices. Going against the mandates of the program would be a clear violation of the rules, and hazardous for the practitioner. The negative aspects of the regulatory approach are that they can

be rigid, costly, and uninspiring. Voluntary programs have the advantage of being more flexible and producer-consumer driven, and consumer funded, but they place producers at the mercy of consumer whims and can be easily eroded by usual competitive pricing and cost-cutting. These last features of voluntary programs are increasingly concerning given their increasing favor among policy-makers.

Regulatory programs are more traditionally used by states and have the advantage of being applied equally across producers and ensuring that minimum requirements are met. However, they can cause tensions between the regulated and the regulators (Borck and Coglianese, 2009). Moreover, they only work if everyone is compliant. Once someone is benefitting from non-compliance, the policy becomes economically unsound as the price for products can be competitively driven below the cost of production by a non-compliant firm. Additionally, if only enforcing compliance with rules, mandatory environmental programs can be criticized for being short sighted in the ways they do not encourage a longer term shift in attitudes. Moreover, financial compensation by the state can be insufficient to maintain farmer's livelihoods and balance economic loss associated with the introduction of strict environmental regulations, phenomenon exacerbated by farmers' reluctance to subsidies (Forney and Stock 2014; Stock et al 2014). Despite these limits, regulatory programs have a central role to play in the sustainability transition in the sense that forcing practice change can alter habits, and shifting attitudes can follow—the practical change catalyzes the ideological change. Moreover, the conventional approach to environmental regulation, that environmental regulation will hurt the economic wellbeing of businesses, has been significantly challenged by what has come to be known as the Porter Hypothesis (Porter 1991). Porter (1991) and his colleague Claas van der Linde (Porter and van der Linde 1995) suggested that well-designed regulation can actually stimulate innovation and generate economic benefits that offset any costs associated with increased compliance. The regulation does not necessarily need to be issued to have these types of provocative effects: research on corporate environmental programs has shown that the threat of government regulation can compel businesses to adopt and follow more stringent environmental management plans (Khanna and Anton 2002). In other words, even though firms are not being governed by regulation directly, the possibility of a regulation shapes their activity.

Voluntary programs aim at pre-empting the compliance costs associated with government regulation. In other words, industries will self-regulate in an attempt to ensure that governments do not issue regulations in the future, or to ensure that the cost in updating their practices is manageable. These programs are often industry led, they also aim at containing the effects of public distrust if the industry is found to be engaging in suspect or even dangerous behavior. By construction, only a part of farmers will participate in the program. Voluntary programs are based on the idea that farmers' motivation would be stimulated by having a sort of freedom in decision making and other market-based benefits. However, their capacity to change practices and behavior of participants seems limited; they tend to act more as a facilitator for the expression of existing attitudes (Burton and Paragahawewa, 2011). Moreover, research has shown that voluntary programs, particularly industry-led ones, can attract businesses whose practices are less environmentally

sound than the industry average (Lenox and Nash 2003; King and Lenox 2000). In their research on the American Chemistry Council, King and Lenox (2000) found that the industry's Responsible Care Program, aimed at a regulating toxic chemical pollution, was populated by the industry's worst polluters over a considerable period of time, suggesting that high polluters were joining but not changing their practices. In other words, voluntary programs can suffer from a lack of disciplinary power. Lenox and Nash (2003) also found that programs populated with the industry leaders in environmental responsibility were those with significant penalties for non-compliance. Similarly, Koehler (2007) found very little evidence for the effectiveness of voluntary environmental programs, despite their popularity among both policy-makers and business leaders. Assessment tools help here in enabling communication to consumers. Producers can use sustainability scores to inform consumers as in eco-labelling (Galarraga Gallastegui, 2002), or as a support for discussion among peers (Marchand et al., 2014). Moreover, the development or application of assessments stimulates learning of developers and users (Reed et al., 2006; Triste et al., 2014). These assessments can be considered part of an approach that seeks to incentivize sustainable practice. The question is whether those incentives can be cultivated through mandatory assessments associated with more regulatory approaches, or whether voluntary assessments that can be used by consumers to choose produce will create broader and more lasting change.

The growth of voluntary programs coincides with neoliberal governance strategies that seek to devolve regulatory activities to industries and markets. In her food regime work, Friedmann (2005) posits that the next government-industry political economy will be based in green corporatism, or environmental management through consumer-driven industry initiatives (see also Pechlaner and Otero 2008). Others discuss the withdrawal of government mandates as a form of neoliberalism, particularly when they are eclipsed by the use of the market for regulation. Peck and Tickell (2002) described this as "roll-back" neoliberalism, while Guthman (2007) has described food labels as a technology of neoliberal food regulation. This evolution of voluntary environmental programs to flexible market-based regulations is described as a feature of neoliberal changes (see Elgert 2015). The work on neoliberalism would suggest that markets rather than broader public environmental concerns would lead a corporate form of governance (Friendmann 2005) and voluntarism in standards would facilitate the commodification of environmental practices (Guthman 2007). This type of market-based environmentalism would further encourage the situation, where, once again, short-term goals designed with profit-seeking motives creates a fragile type of individualistic environmentalism, eclipsing the collective environmental eternity implicit in the idea of sustainability.

The NZ sustainable wine program case is interesting from this perspective, because it started as a voluntary certification that became practically regulatory for the sake of national branding. Through the national branding strategy, the sustainable program moved from voluntary to compulsory, resulting in the seemingly oxymoronic compulsory, market-based environmental governance. In this paper, we develop the history of the NZ sustainable wine program focusing on its transformation from a voluntary program to a regulatory one. In that

transformation, we can trace a departure from the tenets of neoliberalism to one that could be considered post-neoliberal in which a neoliberal form of governance has evolved into a more socialized regulatory mechanism. We make these arguments by detailing stages of the development of the NZ sustainable wine program, and consider the mechanisms through which these changes have been enacted. We also highlight and discuss the narratives anchored in the industry that have contributed to the high adoption and rapid development of the sustainable wine program.

Methods

The case: The NZ sustainable Wine Program

The NZ Sustainable wine program provides an excellent case to consider how sustainable assessments navigate economic and environmental tensions via voluntary and compulsory membership strategies. Its growth after neo-liberal reforms to New Zealand's agricultural sector also provides some novel insights into contemporary forms of governance.

Today, the program consists simultaneously of:

- an accreditation program for grape growing and winemaking practices based on both self and third party audit;
- a self-reporting system for tracking practices;
- a regional and national database of practices to which growers and winemakers can compare their own practices; a biosecurity watch through an extended grower network;
- a channel to disseminate research results;
- a marketing tool for NZ Wine utilizing the sustainability audits to underwrite the 'clean green' advertising narrative of New Zealand food exports and tourism.

Members of the program report annually their use of pesticides, fertilizers and water for each block and winery site. They also report their practices regarding staff working conditions, energy and waste. Each winery and vineyard is audited by a third party every three years. A membership fee was established in 1999 (NZW Annual report 1999) for each vineyard, and extended in 2002 to wineries. Members are contracted growers by wineries, wineries or independent growers-winemakers.

Every grower and winemaker, member or not, benefits from the positive and powerful image of NZ wine that has been built upon a sustainability image. They also benefit from outcomes of the biosecurity program and the dissemination of research results. Volunteers can also get national and regional benchmarking of their practices regarding energy, water and agrichemical use, as long as they self-

report their own practices. Members of the program, i.e. the ones who pay the membership fee, get additional benefits: they have access to industry promotional devices as wine tastings, field tours, journalist reviews and specific web pages; they have access to specific workshops, are externally audited every three years and their products are certified “Sustainable Winegrowing New Zealand “if they succeeded the audit. They can then market their products as being certified sustainable. Winemakers would put the program logo on bottles while growers and bulk wine producers would use the certification as an indication of quality in their transactions. One of the most powerful aspects of the program is the restriction of industry events to members of the sustainable program. In order to participate in wine competitions and the marketing projects undertaken by the national industry body, the wine must be certified sustainable. As we discuss further in the paper, this marketing strategy has made the program practically compulsory for any wine producer planning to export.

Methods:

We aimed to explore how the sustainable wine program works. In doing so, we considered how it was positioned as a voluntary or compulsory program, and aimed to tie the membership mechanisms to broader debates about environmental governance. As we discuss in the introduction, previous research has considered the governance mechanisms in voluntary, market-based programs and compulsory, regulatory programs. We considered how the program was situated within this nexus through producer narratives. These narratives are based in the history of the program and that history has produced the mechanisms through which it currently operates.

Through open-ended interviews with a range of grape producers, wine producers, and industry personnel, we paid attention to the rules that have been institutionalized as well as the narratives that explain how those rules situate and govern NZ wine producers. We asked interviewees how the NZ sustainable wine program started, why it started, how has changed over time, and what role it plays in the industry.

2. History of the NZ sustainable wine program: how a bottom-up voluntary tool for integrated management became a national brand

Timing is Everything: the Unification of the Industry

The character of the NZ sustainable wine program has much to do with the historical moment during which it was launched. It emerged in a global context of food safety frenzies, and successive events in developed countries were organized to address consumer concerns over such scandals as the adulteration of wine with

anti-freeze in Austria in the 1980s. This context resulted in increased traceability regulations, increased sanitary and quality controls. Those practices were materialized by auditing, reporting and best practices programs (see Manhire et al 2011; Rosin and Campbell forthcoming). It was also at this time that the critique of industrial agriculture spread outside alternative movement networks, being put on the agenda of national and international institutions. Research and extension programs for and on sustainable agriculture multiplied. At the EU council level, remuneration for agri-environmental activities were first introduced in the Common Agricultural Policy in 1992 and reinforced in 1999 with the creation of the 'second pillar' (Lowe et al 2002).

This time also saw the NZ wine industry expanding so dramatically into an established and concentrated global wine economy. The industry mutated profoundly in those times: in the 90s a national program supported growers in replacing old vines by more fashionable vines (*vitis vinifera*) corresponding to a larger range of consumers taste. The industry also decided to differentiate themselves from competitors through the image of an environmentally friendly industry, the timing coinciding with the vibrancy of sustainability discourses in an international public context. At this time, they used the 'clean green' branding of NZ for tourism as a springboard to develop a sustainability narrative around wine production.

The increase in vineyard area, number of growers and winemakers, and volume of wine produced accelerated in the 2000s. Catalysed by the international success of Marlborough Sauvignon Blanc, the export volume drastically increased, attracting more investors, winemakers and winegrowers in New Zealand. New producers and investors were mainly young with no familial background in winegrowing. Our interviewees described a dynamic, curious and innovative industry at this time. Informal networks of growers or winemakers settled autonomously in several areas: they usually met monthly to exchange knowledge and experiences, giving each other critical feedback during wine tastings or field trips. As a result, the NZ wine industry developed fast, and had to develop novel and marketable characteristics that could buy some shelf space.

Unlike other sustainability programs, the NZ sustainable wine program developed alongside the growth of the wine industry, meaning that it was not imposed on an already fully established industry. As a result, it was able to be integrated with the institutional architecture of the industry and expand with it. From the interviews, we can highlight three steps of particular importance to the development of the NZ sustainable wine program and its expansion that we develop below. We would like to highlight the way it shifted from a tool to build an industry to a national market-making device, and how these shifts coincide with what we are suggesting is a movement from neoliberalism to post-neoliberalism.

Initial development

The program was initiated by the NZ Grape Council as a trial of integrated production practices. It started in 1995 by the trial of a Swiss integrated production system based on scorecards over a small number of NZ vineyards. Elliot, a consultant for the grape industry in NZ, was in charge of adapting the scorecards to

the NZ context. At this time, the objective was to provide tools to allow growers to improve their practices over time. A group of five growers from the Hawke's Bay region in New Zealand, all of whom were Elliot's close collaborators, participated to this project as volunteers. They met approximately once a month in each other's vineyards to review and improve the scorecards, basically modifying or deleting scorecard questions. Their motivations were to develop their own skills and validate successful practices. In 1996, around 120 growers representing other growing regions in NZ volunteered to test and give feedback about the scorecard system. This involvement of volunteer growers in designing the reporting tool for Integrated Winegrowing Program ensured that the tool was relevant for NZ growers and NZ context (weather, soils, vines and vineyard characteristics, and winegrowing practices).

The extension of the program to wine production

Encouraged by growers participating in the program, a winery module was developed and tested over ten wineries in 2002. It seemed most of the marketing benefit of sustainably growing practices could only be realized if the wineries were involved, and so the aim was to ensure that sustainability was reported within every part of the winemaking process.

Initially the winery accreditation benefitted accredited contract growers who were offered premium prices for their grapes from the participating wineries. However, while the initiative became more popular in wineries and vineyards, wineries gained power in negotiating contracts with growers. The wineries no longer offered premium prices for 'sustainable' grapes but required that the grapes were grown under the NZ sustainable wine program standards to buy it. This pressured reluctant contract growers to become accredited, further expanding the program.

The building of a compulsory policy

By 2006, the growth in membership had stagnated, hovering around 60% of the industry. Given that most of the industry was certified, and recognizing that having a cohesive national front on sustainable practices would facilitate the development of New Zealand wine branding, the industry board set a goal to achieve 100% accreditation by 2012. In order to incentivize increased participation, they developed a strategy that restricted participation in NZ Wine events (awards, wine tasting) to accredited members of sustainable organic or biodynamic systems by 2010. Membership has increased to include 93% of vineyard area and 85% of wine production under the NZ sustainable wine program – in 2010, very similar in 2014-.

Together, these three events helped to raise the legitimacy of the NZ sustainable wine program within the industry and established incentives for growers, winemakers and wineries to engage in sustainable practices. It developed an infrastructure in which sustainability had legitimacy and currency, and became part of the everyday logic of winegrowing. This came through in our interviews when interviewees claimed that the sustainable winegrowing program was an asset to the industry and sustainability, a necessary precondition to modern global market participation. The result today is that the NZ sustainable wine program was woven into the foundation of the wine industry in New Zealand, and is in a unique position of being almost universally adopted by producers.

From Voluntary Bottom-up to Market-Maker to National Industry Governance

Today, insiders and outsiders of the industry recount the same stories when asked to talk about the development and uptake of sustainable practices in the NZ wine industry. These stories, that we call shared narratives, recount the bottom-up origin of the sustainability program, its marketing rationale and its recent implementation of mechanisms that envelop everyone in a type of environmental national branding. These shared narratives document a shift from a voluntary one to one that's compulsory, and yet still framed as a market-driven project.

Voluntary/Bottom up

Interviewees describe the NZ sustainable wine program as being developed by growers themselves, and volunteer-based. Interviewees talked about the group of five growers in Hawkes Bay developing the program, with the aim of reducing pesticide use on vines. However, only some of the ones directly involved in the first stages (up to 120 growers) would talk about financial and in kind support from ministries or publicly funded research centres. While the development of the NZ sustainable wine program may have been industry led, it emerged during a time when there was not such a strong distinction between private and public action, so that it becomes quite difficult to place the program as voluntary and producer-driven or pushed by government and industry bodies. Some of the winegrowers involved with the development of the NZ sustainable wine program were also involved in public horticultural research programs. Yet, there is a sense that, even if the program were fueled by public funds and payrolls, producers were central to its uptake and design.

It was entirely voluntary so they participated if they wanted to and in general sense, I think (a) they thought it was the right thing to do. The people who came along, they were your typical earlier adopters. They weren't forced into this, they went into it because they thought it was the path for the future and so they were enthusiastic about it. (Jake)

Originally it just kind of started out as a Hawke's Bay way of being better growers; it just started like a focus group really and growers helping each other out that were interested in reducing inputs into vineyards and making them environmentally friendlier. As a mono culture and some of the practices back then it was a pretty hard way of growing... I guess after a couple of years, probably about '97 or '98, I can't remember when, New Zealand Winegrowers got involved and sustainability started to become more important. They needed funding to really get it going and they started off with a more formal scorecard and putting it down on paper and producing a folder and that sort of thing (Barry)

Administrators and some producers describe the NZ sustainable wine program as still being bottom up today, for example citing easy feedback loop with the management team (phone call or informal chat during meetings or workshops).

Administrators refer also to annual online surveys as a feedback tool, or to certifiers who humanise the link between members and administration. At the national body level, accent is put on democratic processes in the NZ sustainable wine program and NZW: growers and winemakers' representative are elected for each region and participate to regional and national industry boards. On the other hand, some producers had argued that the program the NZ sustainable wine program hardly address producer's needs. It seems that the difference in discourse can be explained the level of closeness to administrative staff (geographically or being elected in national board).

In our interviews, being bottom up and industry developed and managed have been described as a quality of the NZ sustainable wine program. Interviewees often contrast the bottom up aspect of the NZ sustainable wine program with sustainability programs developed by the state which they perceive as irrelevant to producers needs and constraints, and which they imagine compulsory. This matches with the NZ love of neoliberal economic and social model (named new patriotism by Roberts 2009), giving pride to NZ citizens, particularly farmers, in receiving no benefits or subsidies (Rosin 2013, Roberts 2009)

The Emergence of a Compulsory Market-Based Program

Interviewees describe the NZ sustainable wine program as being created for developing NZ wine exports in a context of dramatic increase of national vineyard area. They report the following strategy: 1- branding NZ wine as being an environmentally friendly, becoming the first country with this strategy, 2- protecting industry reputation through increased reporting of practices and uptake of best practices. According to interviewees, the NZ sustainable wine program have succeeded in developing a strong brand for NZ wine and in improving winegrowing and winemaking practices towards environmental, and, to a lesser extent social sustainability. The narrative developed around the market-driven origin of the NZ sustainable wine program shows that interviewees value a market rationale and use it to back up the need for a *compulsory* program. This notably departs from traditional understandings of market initiatives as being flexible, individualistic, and spurring the types of bottom-line drives that erode environmental programs.

The other thing too is we're a 95% export industry; most of it goes into fairly select markets and it's almost like a pathway to trade now, having some sort of assurance programme isn't it. ...If we're all going to play in the global game, we have to be a part of it. (Chris)

Essentially it's become a prerequisite; if you want to be a member of New Zealand Winegrowers to be sustainable they're part of the the NZ sustainable wine program, so people have been I guess forced into that way and I think for good reason that we needed to have a good reputation and if our industry was going to succeed globally we had to leverage off the fact that we have a good sustainable clean practice as much as possible. (Gabriel)

Chris sums up the New Zealand context: the export oriented nature of production requires some form of production assurance in an international scene. While program is officially voluntary, the need to enter the market with a unified brand has made the program essentially compulsory: you need to be certified to participate to industry events; which are critical for marketing your wine. As a wine producer and grape grower described to us, it is voluntary but because it is part of a larger market-making and branding process, it has become compulsory in practice.

Sure, so the sustainable thing firstly its forced upon you - I know it's voluntary - but if you're not a member of the sustainable wine programme you can't sell your fruit basically because 99.9 percent of the wineries want to use the programme's marketing angle and they won't accept your fruit unless you are accredited... So for all intents and purposes it's a compulsory system.

The grower also tied the programme to their long-term business goals:

But for us here it's part of our long term programme in the sense that for my owners if we burn this place out in 15 years, 20 years or whatever then its short-changing his true value of the company which is the asset; so in reality like a lot of things the true money is in the asset, so the land, the infrastructure, the health of the vines, the health of soil and all that sort of stuff.

Interviewees seem to accept this restriction of freedom. They present it as a no pain no gain sacrifice, needed for ensuring access to markets to NZ wine. They also express a feeling of a necessary cohesion of the industry to protect the reputation of the industry by managing sanitary risks and maintaining high quality standards. Every interviewee told about that in New Zealand, as a New World wine producer, anyone in the wine chain depends on what the other is doing. If anyone sells bad wine, the whole industry can be negatively impacted, with long-term fall-outs.

These shared narratives participate in building and reproducing an image of an industry genuinely engaged with sustainability while being a good governance body. At the same time, it challenges top-down narratives of government-based regulations by maintaining its market-based orientation. Both of these narratives have helped the acceptance of the compulsory policy of the program. The bottom up aspect enabled to accept that a sacrifice from producers might be needed since no other support exists. The market driven aspect, which is based on a national branding with two assets: nature and quality, enables to accept the idea that the industry is seen as whole from outside NZ, and that any problem within the industry would be detrimental for the whole.

3. Discussion: Sustainability as a Governing National Brand

The narratives developed within the industry embody values and norms. Through the use of bottom-up narratives paired with market-making narratives, the character of the sustainability program maintains an entrepreneurial, neoliberal character while cultivating a type of shared baseline program. In some cases, the accuracy of these claims can be debated, and have been heavily debated within this research team. For example, when analysing growers' involvement in the program development, its bottom up aspect can be debated. We understand bottom up processes as initiatives designed and carried out by the people who will directly be affected by them. Biggs (1989) describes four modes of participation from "contractual" to "collegiate". Bottom up processes can be situated under the collegiate category: a situation where all stakeholders participate in defining the goals and procedures of the initiative, share responsibility and ownership of the process, and decisions are made by agreement or consensus among all actors (Probst et al., 2003). The development process of the NZ sustainable wine program, as reported by interviewees, can be qualified as consultative for most of it. Growers have participated to adapting the Swiss scorecards to the New Zealand context, and voluntarily joined the program but the decision of developing it in vineyards came from the industry institution. At this time, the information flows was feedback from growers to the Industry body by the intermediary of Eliot, the consultant, and later on by administrative and technical staff. Since 2002, the industry is more institutionalized and information flows circulates through annual feedback surveys and industry boards in which elected growers and winemakers represent to their peers. In parallel, the industry asks some volunteer to evaluate new initiatives or technologies.

The success of the program can also be linked with its positioning as a market-driven initiative. The sustainability label and 'clean and green' image positions the wine as part of a shared national brand. In the case of the New Zealand sustainable wine programme, this can be seen to create some stability in market-driven environmental governance. While the risk of market incentives is that they may depend on consumer whims or a narrow focus on superficial, marketable practices, the enrollment of national wine production under the sustainable label means that a more robust form of coordinated environmental practice is necessary. The sustainable programme and assessment looks embodies both a commoditized environmentalism and a national collective agreement, the latter buffering against some of the competitive drivers that can undermine corporate environmentalism.

The use of sustainability as a national brand, culturally positioning it with neoliberal discourses while departing from some neoliberal governance mechanisms that stress a "race to the bottom" on divergent social and environmental policies, also has implications for thinking about the future developing out of a neoliberal agenda. While the sustainability program in New Zealand plays to the market, and certainly prioritizes those practices recognized by the market, the coordination of producers under a type of national branding is more integrating and stabilizing than what we would expect to see. This supports findings that suggest that businesses desire stability in an open market environment, and the

mechanism through which that stability may be achieved is through implicit or explicit market rules (Fligstein 2002). While New Zealand is a unique case, we suggest that it can gesture towards what may be built on neoliberal foundations, and what a post-neoliberal economy may look like.

4. Conclusion

This paper presented and discussed the development of the sustainability program in the NZ wine industry highlighting the three intertwining narratives that have been shaped by the industry and permitted the expansion of the program as those narratives were matching with New Zealand rural identity. The stagnation of its adoption level can be seen as showing the program – and hereby the transition of NZ wine industry to more sustainable practices- has reached an equilibrium. However, the timing of this study corresponds also to the beginning of a new transition: in a desire to recognize the practices of groups of growers that exceed current sustainability standards, the industry is developing a new sustainability program, aiming at increasing a tier of engagement for those who wish to participate. This new step, acknowledging the existence of resistant regimes and emergent paradigm to sustainable wine are characteristics to the pre-development phase of a transition (Rotmans/van der brugge transition theory). The long periods of discussion and consultation that are preceding the introduction of this new program version is further testament to the role of the sustainability program as more than just a label, but as a governing national brand.

The increased trend toward governing through market management has been long documented through the work on neoliberalism. The government of resources and the environment has not escaped these changes. New consumer preferences for clean, green products are being channeled to shape the behaviours of industry, where labeling and auditing systems are being used in branding. Many of these systems can be described as voluntary, and are criticized for their lack of rigor or the ill effects of their undemocratic operation. In this paper we discuss wine production in New Zealand, where an environmental program played a role in the initial stages of market-making and expanded to become part of a compulsory program and national brand. In tracing the history of the NZ sustainable wine program, we have suggested that the outcome of this unique constellation of industry-wide environmental market coordination results in a type of environmental governance that is both national and market-based, and as a consequence, deviates from a more traditional neoliberal narrative. In this was, the wine program can gesture towards what we might imagine as neoliberal policies morph into a post-neoliberal future.

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