

Mike's Blog May 26

When being right is no longer enough

I recently read a paper arguing that the real problem facing institutions is not always funding, regulation or performance. Often it is legitimacy. That got me thinking because it applies well beyond institutions. It applies just as much to sectors like horticulture and wine grapes.

For a long time, many industries operated on an implicit assumption: if you were productive, technically competent and commercially successful, your standing was basically secure. Do the job well, meet the rules, keep improving and people would back you.

That is no longer enough.

Today, a sector can be efficient and still be distrusted. It can be economically important and still find itself under political pressure. It can be full of decent people doing serious work and still struggle to keep public confidence.

That is because legitimacy has become a bigger issue than many of us realised. The paper used a helpful three-part framework: legitimacy has instrumental, relational and moral dimensions.

First, there is **instrumental legitimacy**. That is the most familiar one. Can you do the job well? Can you grow quality produce, make quality wine, run an efficient business, export successfully, manage labour, meet market standards and stay commercially viable? In horticulture and viticulture, that matters hugely. Productivity, quality, innovation and resilience are real strengths.

But competence on its own does not settle the argument.

Second, there is **relational legitimacy**. Do people believe your sector is acting in the interests of the wider community, not just itself? Do nearby communities feel respected? Do workers feel properly treated? Do customers feel they can trust what sits behind the product? Do the public see the sector as part of the social fabric, or as something that turns up mainly to ask for water, labour, access or regulatory relief?

This is where many industries now get caught out. They keep explaining their economic value while the public is making a different judgement: do these people understand the world around them and do they care about more than their own balance sheet?

Third, there is **moral legitimacy**. Are the rules fair? Are you playing by them in spirit as well as letter? Does leadership look credible? When tough issues arise around labour, environment, water, land use, chemicals or community impact, does the sector respond in a way that feels open, fair and socially responsible?

Again, this is bigger than compliance. A sector can meet minimum standards and still lose trust if its behaviour looks defensive, tone-deaf or self-protective.

That, to me, is the bigger lesson for horticulture and wine grapes.

Our sectors often make their case in instrumental terms. We talk output, export earnings, jobs, regional growth, productivity and contribution to GDP. All of that matters. But economics on its own is now too thin a story.

People are also asking: Are you fair? Are you responsible? Are you listening? Are you part of this community or just using it? Are the benefits shared? Do your actions match your claims?

When those questions gather force, more facts do not necessarily solve the problem. Another industry presentation or another set of production numbers may be true and useful, but still not restore confidence.

So the challenge now is broader. It is not just to be good at what we do, but to be seen as legitimate in all we do.

That means keeping the economic engine strong, but also paying much closer attention to conduct, tone, trust and social licence. It means showing that productivity and responsibility are not in conflict. It means engaging early with public concerns rather than dismissing them as ill-informed. And it means understanding that sectors keep their ability to operate not just because they are efficient, but because enough people continue to believe they deserve to continue operating.

Being right still matters. But now it also has to have public support and confidence.